

## **Internal Control Structure and Procedures**

### **CASH RECEIPTS I DISBURSEMENT I LOAN PROCEDURES**

**Cash Receipts:** Meaghan Marino, Director of Finance and Administration, enters cash receipts into QuickBooks on a regular (at least weekly) basis. The deposits are entered from information provided from bank deposit tickets, copies of deposited checks and loan balance statements generated by PORTFOL. The Director of Finance and Administration logs and reviews the checks as they are received and enters the loan payments into the PORTFOL software system, allocating appropriate disbursements between principal and interest. A copy of the cash receipts journal from PORTFOL, a copy of the deposit slip and the receipt from the bank are placed in the binder containing the operating account repayments. A copy of the check is attached to the individual loan repayment schedules and placed in client files bank statements, and these deposits and the QuickBooks entries are reviewed by Jim Lozano, CFO for Hire. Checks are deposited into the Community Bank checking account as they are received. These cash receipts are reviewed and reconciled on a monthly basis with the Bank Statements by the independent accountant, Jim Lozano.

**Cash Disbursements:** Invoices are entered into QuickBooks upon receipt and paid on a bi-weekly basis. Meaghan Marino, Director of Finance and Administration, is responsible for entering payments into QuickBooks. Ms. Marino processed checks when payments were to be issued. The checks, along with the original invoice and any associated receipts, are presented to Board members for signature. All COIDA checks require two signatures. Four of the nine Board members, including the Vice Chairman and the Treasurer, are authorized signatories. A listing of all bills paid, and to be paid, within the month are presented to the Full Board at the monthly meeting and approved by the Board by a voice vote. Any expenditure made outside normal operating expenses is brought to the Board before the service is requested and before any payment is made. These cash disbursements are reconciled on a monthly basis with the Bank Statements by the independent accountant.

**Bank Reconciliation(s):** Jim Lazano, CFO for hire prepares the bank reconciliation(s) for each bank account on a monthly basis, within 7 days of receiving the Monthly Bank Account statement. The reconciliation is then printed and reviewed by the Treasurer, and by the Audit Committee, which meets monthly. Bank Statements are then filed along with a copy of all received checks and invoices paid within the month. The Treasurer presents the previous month's Balance Sheet and Income statements, and the Full Board votes to accept the Treasurer's Report.

**Loan Award Procedures:** The County of Otsego IDA is no longer making loans to businesses due to the State Comptroller's opinion that "Industrial Development Agency's have no statutory authority to make loans."

**Payroll:** Employees are paid bi-weekly out of the Operating account at Community Bank. Funds are withdrawn from the operating account by Payco, our payroll company. Hourly employees record hours worked daily, and at the end of the pay period, print and sign their time sheets and submit these for approval and signature to Jody Zakrevsky, CEO. Mr. Zakrevsky retains the signed time sheets in the employees' files in a secure location. Salaried employees reported any paid time off (PTO) taken to Mr. Zakrevsky, and he approves and submits these to Payco. All employees keep electronic files, accessible to all COIDA staff on the shared drive, concerning weekly hours worked and PTO taken. The following week, Mr. Zakrevsky receives an electronic copy of the payroll report from Payco. Jim Lazano prepares a payroll posting sheet which he then enters into QuickBooks. Employees are paid through direct deposit. When a new employee is hired, he/she completes the appropriate paperwork, including withholding forms and authorizations for payroll deductions/direct deposit that are maintained in personnel files. The timely remittance of payroll taxes and payroll tax reports was overseen by Mr. Zakrevsky. Employee reviews are performed annually. All pay rates/wages are reviewed by the Treasurer and approved by the full board.

**Updated by: Jody Zakrevsky**

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