

MONROE COUNTY LAND BANK CORPORATION

INTERNAL CONTROL AND FINANCE POLICY

Section 1. Purpose and Authority

This policy outlines the process by which Monroe County Land Bank Corporation (the “Land Bank”) 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 Authorities 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 3. Definitions

As used in this policy:

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 Land Bank Authorized Check Signatories are the Treasurer and a second signatory, appointed by a resolution of the Board of Directors.

C. “Authorized Payment Signatory and Endorser” shall mean those employees and/or directors authorized by the Board of Directors to approve payment vouchers. The Land Bank Authorized Payment Signatories are the Chairperson, the Treasurer, and second signatory, appointed by a resolution of the Board of Directors.

Section 4. 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 and 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:
 - a. Payment vouchers for \$5,000 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.
 - b. Payment vouchers in excess of \$5,001:** If the Expense Originator is a contractor or employee, the expense voucher must be approved by 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 an Authorized Payment 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, an Authorized Check Signatory 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 Chairperson 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 Land Bank Procurement Policy.

B. Income

- 1. Deposits** – All deposits of purchase monies, donations, and closing costs must be reviewed by an Authorized Payment 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 – The program of internal review shall include the annual review of this policy to ensure adequate controls are in place, documented, and followed. 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.

E. Education and Training – The Audit Committee shall be responsible for oversight of education and training by:

1. Maintaining and reviewing annually the training records of Land Bank Directors, staff, and employees for compliance with required trainings from the New York State Authorities Budget Office and internal Land Bank Policies. The Audit Committee will identify any missing trainings that are necessary for compliance with Federal and State Law, grant requirements, and/or Land Bank mandated trainings and make Directors, staff, and employees aware of any missing trainings.
2. The Audit Committee is responsible for ensuring annually that all Directors, staff, and employees receive a copy of all existing policies and collecting signed acknowledgement of receipt of the same.
3. All updated policies or new policies will be distributed to Directors, staff, and employees within a reasonable time after adoption by the Board of Directors and collecting signed acknowledgement of receipt of the same.

Effective Date: April, 9, 2025

Approved By: Monroe County Land Bank Corporation Board of Directors