

**Troy Community Land Bank  
Internal Control and Finance Policy**

This policy outlines the process by which the Troy Community 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.

**I. Internal Control Officer**

The Executive Director 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 Executive Director 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.

**I. Definitions**

- a. "Expense Originator:" the director/employee who originates payment authorization, and has personal knowledge of the vendor, requested payment and documentation to substantiate the expense.
- b. Authorized Check Signatories:" those employees and/or directors authorized by the board of directors to sign checks. The TCLB Authorized Check signatories are the Chairperson, the treasurer and the executive Director.
- c. "Payment Authorization Signatories:" those employees and/or directors authorized by the board of directors to sign the Payment authorization form to pay payment vouchers. The TCLB Authorized Payment Authorization signatories are the Chairperson, the treasurer and the executive Director.

**II. 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 authorizations voucher shall include the details of the vendor, product or service and the amount to be paid. Invoices or other appropriate documentation shall be attached. The Expense originator then signs and submits an expense payment voucher to be approved by the authorized payment signatories. If the Expense Originator is an employee, the expense voucher must be approved

by the Executive Director and Treasurer. If the Expense Originator is the executive Director, the expense must be approved by the Chairperson and/or the Treasurer. All expenses in excess of \$10,000 shall require the Approval of at least two Payment Authorization Signatories.

Checks for payment shall be issued by an authorized check signatory.

#### 2. Credit/Debit Card expenses

Credit and/or debit cards may be issued to an employee for the official business of the Land Bank. All credit card expenses in excess of \$250 must be pre-approved by a Payment Authorization signatory. The Expense originator shall submit the credit/debit card expense for payment authorization pursuant to subsection (a) above.

Expenses below \$250 may be made at the discretion of the employee for services, products or vendor payment. Payment upon any credit card statement must be reviewed and authorized by a Payment signatory.

#### 3. 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 Executive Director. If the reimbursement is to be made to the Executive Director, another Authorized check signatory must sign and approve the check reimbursement. If the reimbursement check is to be made payable to a Board Member, the Executive Director may be the Authorized check signatory.

#### 4. Purchasing

The Executive Director may approve purchases to be made by the Land Bank for day-to-day operations (office supplies, computers, furniture etc.) up to \$500. Purchases of items over \$500 must be pre-approved by a Payment Authorization Signatory.

### B. INCOME

#### 1. Deposits

All deposits of purchase monies, donations, and closing costs must be reviewed by a Payment Authorization Signatory other than the Executive Director. The Executive Director shall make said deposits upon the review and approval of the 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 are reviewed by the Executive Director and shall be submitted to the bookkeeper for reconciliation. The statements and the reconciliation report shall be forwarded to the Finance Committee for review at monthly meetings. The Chairperson, Treasurer and Executive Director 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 authority'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.