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**CARTHAGE INDUSTRIAL DEVELOPMENT CORPORATION
FINANCIAL INTERNAL CONTROL SYSTEM**

These procedures are developed to provide an internal control structure to preserve the assets of the Carthage Industrial Development Corporation (CIDC). Procedures shall be reviewed at least annually by the independent auditors who will make recommendations to the Board of Directors for suggested changes. Changes to these internal controls shall not be implemented until approved by the board after consultation with the independent auditors.

The following are daily procedures for processing cash receipts and disbursements:

1. CASH RECEIPTS:

- i. Generally, the Community Development Coordinator (staff) will be responsible for receipt of rent payments and other revenues generated by the four commercial spaces at 256-264 State Street (Commercial Rent) and West End Dam Hydro-Electric Facility (Hydro Rent).
- ii. Staff shall maintain a pre-numbered receipt book recording the receipt of each rent payment and other miscellaneous revenues.
- iii. The receipt book shall be available to the CIDC Board upon request.

A. Rent Payments:

I. Staff

- i. Staff currently receives rent payments on a monthly basis from each of the commercial tenants and quarterly from the Hydro facility operators. Staff also receives grant disbursements from time to time. These rent payments and *grant disbursements shall be entered into the receipt book and deposited into the CIDC operating account, or Money Market account as appropriate, within 10 days of receipt.*
- ii. A copy of the deposit slip with a log of each tenant's payment shall remain permanently in the files of the CIDC for the year in which it was received. The deposit shall also be recorded in the CIDC accounting system at least monthly

B. Security:

- i. All rent payments and other miscellaneous revenues shall be maintained in a locked office, cabinet or safe until deposited.

- ii. It shall be the responsibility of staff to assure that all cash/checks received are kept in a safe location prior to deposit.
- iii. Staff shall be responsible for assuring that miscellaneous funds received are also kept in a secure location until deposited.

2. CASH DISBURSEMENTS:

A. Invoices:

- i. All invoices shall be received by the staff and verified for accuracy and completeness.
- ii. All non-reoccurring invoices in excess of \$1,000 shall require two authorizing signatures prior to payment. Signatures may include at least one Board Member and the staff person.
- iii. All reoccurring invoices in excess of \$1,000 shall require two authorizing signatures including the staff person and at least one Board Member except for Mortgage invoice, Real Property Taxes, Utility bills, and Insurance bills, which shall only require one signature including the staff person or a Board Member.

B. Payments:

- i. All bills shall be paid by check and each check shall require the same number of signatures as described above.
- ii. Signatures shall include the staff person and members of the Board authorized to sign checks as provided in the appropriate bank resolution.
- iii. Paid invoices shall be recorded in the CIDC accounting system and a paper copy filed in the permanent records of the CIDC for the year in which they apply.

C. Expenses incurred by Board Members and Staff:

- i. All reimbursement for expenses must be audited by the Board Treasurer, (or EDCC Board Treasurer, for shared expenses) prior to payment. Complete detail of expenses with receipts must be provided.
- ii. Expenses in excess of \$25.00 must have receipts, unless approved by the Treasurer.
- iii. Expenses of the Treasurer shall be audited by the Board President prior to payment.
- iv. An authorized signer may not sign his/her check for reimbursement of approved travel, unless signed by a second Board Member authorized to sign checks in accordance with the appropriate bank resolution.

3. FINANCIAL STATEMENTS:

- i. Financial statements and supporting schedules shall be prepared monthly by the staff in a format approved by the Board of Directors.
- ii. *A standard Income Statement and Balance Sheet with the following supporting schedules will be provided:*
 - a. Check/Bill Detail (reflecting all payments since the last meeting)
 - b. Deposit Detail (reflecting all revenues received since the last meeting)
- iii. All Financial Statements shall be reviewed by the Board President or Treasurer prior to presentation to the board.

4. BANK STATEMENTS:

- i. All monthly bank account statements mailed to the CIDC shall be opened by the Treasurer or other Board member and reviewed for irregularities.
- ii. Bank Statements shall be reconciled and must agree with the General Ledger.
- iii. Bank accounts shall be reconciled by the staff and reviewed by a third party such as the Board President, Treasurer, or Village Clerk.