



**Genesee Gateway Local Development Corp.**  
**Meeting Agenda**  
Thursday, July 2, 2020  
Location: Electronically

**PAGE#**

- 1.0 Call to Order 4:55pm**
- Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020 suspending the Open Meetings Law, this Meeting is being held electronically via conference call / video conference instead of a public meeting open for the public to attend in person.
- 2.0 Chairman's Report and Activities 4:55pm**
- 2.1 Upcoming Meetings:  
**Next Scheduled Board Meeting: Thursday, August 6<sup>th</sup> at 4:00 p.m.**  
Audit & Finance Committee Meeting: Tuesday, August 4<sup>th</sup> at 8:30 a.m.
- 2.2 Agenda Additions/ Deletions / Other Business **\*\*Vote**
- 2.3 Minutes: June 4, 2020 **\*\*Vote**
- 3.0 Report of Management 5:00pm**
- 3.1 Nothing at this time.
- 4.0 Audit & Finance Committee – D. Cunningham 5:00pm**
- 4.1 May 2020 Financial Statements **\*\*Vote**
- 4.2 Assessment of the Effectiveness of Internal Controls **\*\*Vote**
- 5.0 Governance & Nominating Committee – S. Noble-Moag 5:10pm**
- 5.1 Nothing at this time.
- 6.0 Other Business 5:10pm**
- 6.1 Nothing at this time.
- 7.0 Adjournment 5:10pm**

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**6-9**

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**GGLDC Board Meeting  
Thursday, June 4, 2020  
Location: Electronically  
4:00 PM**

**GGLDC MINUTES**

**Attendance**

Board Members: D. Cunningham, P. Battaglia, S. Noble-Moag, C. Yunker, T. Bender, M. Wiater, T. Felton, P. Zelif, G. Torrey  
Staff: L. Casey, P. Kennett, C. Suozzi, J. Krencik, S. Hyde, L. Farrell, M. Masse  
Guests: A. Vanderhoof (GCEDC Board Member), A. Young (GCEDC Board Member), M. Gray (GCEDC Board Member)  
Absent:

**1.0 Call to Order**

D. Cunningham called the meeting to order at 5:34 p.m. via conference call / video conference.

Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1 issued on March 12, 2020 suspending the Open Meetings Law, this Meeting is being held electronically via conference call / video conference instead of a public meeting open for the public to attend in person.

**2.0 Chairman’s Report and Activities**

**2.1 Upcoming Meetings:**

**Next Scheduled Board Meeting: Thursday, July 2<sup>nd</sup> at 4:00 p.m.**  
Audit & Finance Committee Meeting: Tuesday, June 30<sup>th</sup> at 8:30 a.m.

**2.2 Agenda Additions/ Deletions/ Other Business – Nothing at this time.**

**2.3 Minutes: May 7, 2020**

**T. Bender made a motion to approve the May 7, 2020 minutes; the motion was seconded by M. Wiater. Roll call resulted as follows:**

T. Felton -	Yes	S. Noble-Moag -	Yes
D. Cunningham -	Yes	P. Battaglia -	Yes
T. Bender -	Yes	C. Yunker -	Yes
G. Torrey -	Yes	M. Wiater -	Yes
P. Zelif -	Yes		

**The item was approved as presented.**

**3.0 Report of Management**

**3.1 Nothing at this time.**

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**4.0 Audit & Finance Committee – D. Cunningham**

**4.1 April 2020 Financial Statements** - L. Farrell stated that on the Balance Sheet there is \$218,000 in Reserved Cash Grant Funds. In April, we received OCR Grant Funds that flowed through the Town of Batavia. This loan supports a deferred loan to Freightliner, which did not close until May. The funds are in Restricted Cash at the end of April. Also, on the Income Statement there is grant revenue in the amount of \$218,000.

This was recommended for approval by the Committee.

**M. Wiater made a motion to approve the April 2020 Financial Statements as presented; the motion was seconded by G. Torrey. Roll call resulted as follows:**

T. Felton -	Yes	S. Noble-Moag -	Yes
D. Cunningham -	Yes	P. Battaglia -	Yes
T. Bender -	Yes	C. Yunker -	Yes
G. Torrey -	Yes	M. Wiater -	Yes
P. Zelif -	Yes		

**The item was approved as presented.**

**5.0 Governance & Nominating Committee – S. Noble-Moag**

**5.1 Officer Appointments** – The current slate of officers is set to expire on June 30<sup>th</sup>. It is suggested to appoint the following slate of officers:

Chair / President / CEO -	D. Cunningham
Vice-Chair -	T. Felton
Treasurer -	G. Torrey
Secretary -	S. Noble-Moag

The appointed officers shall hold office for one year or until their successors are appointed.

This was recommended for approval by the Committee.

**S. Noble-Moag made a motion to approve the Slate of Officers as presented; the motion was seconded by T. Bender. Roll call resulted as follows:**

T. Felton -	Yes	S. Noble-Moag -	Yes
D. Cunningham -	Yes	P. Battaglia -	Yes
T. Bender -	Yes	C. Yunker -	Yes
G. Torrey -	Yes	M. Wiater -	Yes
P. Zelif -	Yes		

**The item was approved as presented.**

**5.2 Authorized to Request Information Regarding Bank Accounts** – S. Noble Moag shared that L. Farrell and P. Kennett need to be authorized to request information regarding the bank accounts. No changes to this authorization are being suggested at this time.

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This was recommended for approval by the Committee.

**S. Noble-Moag made a motion to approve the authorized individuals to obtain bank account information as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

T. Felton -	Yes	S. Noble-Moag -	Yes
D. Cunningham -	Yes	P. Battaglia -	Yes
T. Bender -	Yes	C. Yunker -	Yes
G. Torrey -	Yes	M. Wiater -	Yes
P. Zeliff -	Yes		

**The item was approved as presented.**

**5.3 Authorized Signers of Agreements, Contracts, etc.** – S. Noble-Moag shared that, per the Bylaws, the Chair and the Vice-Chair are authorized signers of agreements, contracts, etc.

This was recommended for approval by the Committee.

**S. Noble-Moag made a motion to approve the authorized signers of contracts, agreements, etc. as presented; the motion was seconded by C. Yunker. Roll call resulted as follows:**

T. Felton -	Yes	S. Noble-Moag -	Yes
D. Cunningham -	Yes	P. Battaglia -	Yes
T. Bender -	Yes	C. Yunker -	Yes
G. Torrey -	Yes	M. Wiater -	Yes
P. Zeliff -	Yes		

**The item was approved as presented.**

**5.4 Procurement Policies and Procedures** – S. Noble shared that this policy is required to be reviewed annually. There are no changes being recommended.

This was recommended for approval by the Committee.

**S. Noble-Moag made a motion to approve the Procurement Policies and Procedures as presented; the motion was seconded by M. Wiater. Roll call resulted as follows:**

T. Felton -	Yes	S. Noble-Moag -	Yes
D. Cunningham -	Yes	P. Battaglia -	Yes
T. Bender -	Yes	C. Yunker -	Yes
G. Torrey -	Yes	M. Wiater -	Yes
P. Zeliff -	Yes		

**The item was approved as presented.**

**5.5 Investment Policy** – S. Noble-Moag shared that this policy is required to be reviewed annually. There are no changes being recommended.

This was recommended for approval by the Committee.

**S. Noble-Moag made a motion to approve the Investment Policy as presented; the motion was seconded by M. Wiater. Roll call resulted as follows:**

T. Felton -	Yes	S. Noble-Moag -	Yes
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D. Cunningham -	Yes	P. Battaglia -	Yes
T. Bender -	Yes	C. Yunker -	Yes
G. Torrey -	Yes	M. Wiater -	Yes
P. Zelif -	Yes		

**The item was approved as presented.**

**5.6 Disposition of Property Guidelines** – L. Farrell shared that this policy is required to be reviewed annually. There are no changes being recommended.

This was recommended for approval by the Committee.

**S. Noble-Moag made a motion to approve the Disposition of Property Guidelines as presented; the motion was seconded by M. Wiater. Roll call resulted as follows:**

T. Felton -	Yes	S. Noble-Moag -	Yes
D. Cunningham -	Yes	P. Battaglia -	Yes
T. Bender -	Yes	C. Yunker -	Yes
G. Torrey -	Yes	M. Wiater -	Yes
P. Zelif -	Yes		

**The item was approved as presented.**

**6.0 Other Business**

**6.1 Nothing at this time.**

**7.0 Adjournment**

As there was no further business, T. Bender made a motion to adjourn at 5:41 p.m., which was seconded by M. Wiater and passed unanimously.

**Genesee Gateway Local Development Corp.**  
**May 2020 Dashboard**  
**Balance Sheet - Accrual Basis**

	<u>5/31/20</u>	<u>4/30/20</u>	[Per Audit] <u>12/31/19</u>
<b>ASSETS:</b>			
Cash - Unrestricted	\$ 327,589	\$ 353,655	\$ 303,219
Cash - Restricted (1) (A)	487,100	1,156,199	934,626
Cash - Reserved (B)	1,117,187	1,241,307	1,158,480
Cash - Subtotal	1,931,876	2,751,161	2,396,325
Grants Receivable (2)	4,646	4,646	4,646
Accounts Receivable	69	69	69
Loans Receivable - Current Portion	360,812	356,773	358,874
Other Current Assets (3)	3,924	4,360	872
<b>Total Current Assets</b>	<b>2,301,327</b>	<b>3,117,009</b>	<b>2,760,786</b>
Land Held for Dev. & Resale	3,489,954	3,489,954	3,489,854
Buildings & Improvements	7,202,120	7,202,120	7,202,120
Furniture, Fixtures & Equipment	43,600	43,600	43,600
Total Property, Plant & Equip.	10,735,674	10,735,674	10,735,574
Less Accumulated Depreciation	(1,842,279)	(1,825,872)	(1,760,244)
<b>Net Property, Plant &amp; Equip.</b>	<b>8,893,395</b>	<b>8,909,802</b>	<b>8,975,330</b>
Loans Receivable - Noncurrent Portion (Net of \$202,125 Allow for Bad Debt )(4)	984,815	664,133	847,445
Equity Investment in Genesee Agri-Business, LLC (5)	3,220,240	3,220,240	3,220,240
<b>Other Assets</b>	<b>4,205,055</b>	<b>3,884,373</b>	<b>4,067,685</b>
<b>Total Assets</b>	<b>15,399,777</b>	<b>15,911,184</b>	<b>15,803,801</b>
<b>LIABILITIES:</b>			
Accounts Payable (6)	63,501	37,956	16,915
Unearned Revenue (7)	31,683	68,154	44,457
Security Deposits	108,680	108,680	108,680
Loans Payable - Current Portion	78,037	77,777	76,749
Bonds Payable - Current Portion	119,937	119,029	115,205
<b>Total Current Liabilities</b>	<b>401,838</b>	<b>411,596</b>	<b>362,006</b>
Loans Payable - Noncurrent Portion	2,308,565	2,315,188	2,341,460
Bonds Payable - Noncurrent Portion	2,792,935	2,805,044	2,850,337
<b>Total Noncurrent Liabilities</b>	<b>5,101,500</b>	<b>5,120,232</b>	<b>5,191,797</b>
<b>Total Liabilities</b>	<b>5,503,338</b>	<b>5,531,828</b>	<b>5,553,803</b>
<b>EQUITY</b>	<b>\$ 9,896,439</b>	<b>\$ 10,379,356</b>	<b>\$ 10,249,998</b>

**Significant Events:**

1. Cash Restricted - CBA funds were used for Corfu wastewater treatment facility expenses; \$218K OCR loan was disbursed to Freightliner in May.
2. Grants Receivable - OCR will reimburse for H. Sicherman grant consulting services.
3. Other Current Assets - prepaid D & O Insurance.
4. Loans Receivable - Noncurrent Portion - \$120K loan disbursed to Kego and \$218K loan disbursed to Freightliner in May.
5. Equity Investment in Genesee Agri-Business, LLC - ties to corresponding GAB, LLC financial statements.
6. Accounts Payable - Grant for continuing Economic Development Program Support and MedTech Centre Property Management.

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7. Unearned Revenue - LeRoy/Bergen America's Best Community grant funds received, but not yet expended/earned; MedTech Centre insurance claim for roof repairs received in advance.

(A) Restricted = Community Benefit Agreement (CBA) Funds, Security Deposits, USDA Debt Sinking Fund, Grant Funds.

(B) Reserved = OCR loan repayments, Strategic Investment Funds, Economic Development Loan Funds, Batavia Micropolitan Area Redevelopment Loan Funds, Grant Funds.

**Genesee Gateway Local Development Corp.  
May 2020 Dashboard  
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2020	2020
	5/31/20	5/31/19	2020	2019	Board Approved Budget	YTD % of Budget
<b>Operating Revenues:</b>						
Grants (1)	\$ -	\$ -	\$ 218,000	\$ 494,189	\$ 924,615	24%
Interest Income on Loans	1,027	2,613	8,543	11,381	24,986	34%
Rent	54,519	56,101	284,584	282,465	724,855	39%
Common Area Fees - Parks	-	-	500	-	500	100%
Fees	2,400	-	2,900	4,675	-	N/A
Other Revenue	-	-	2,544	500	-	N/A
<b>Total Operating Revenues</b>	<b>57,946</b>	<b>58,714</b>	<b>517,071</b>	<b>793,210</b>	<b>1,674,956</b>	
<b>Operating Expenses:</b>						
Operations & Maintenance	20,527	8,249	58,007	43,936	161,169	36%
Professional Services	6,707	11,246	51,772	54,831	155,483	33%
Econ. Dev. Prog. Support Grant	25,000	25,000	125,000	125,000	300,000	42%
Site Development Expense	452,828	-	458,148	-	727,612	63%
Cost of Sales	-	-	-	-	-	N/A
Grant Expense	-	-	-	-	819,648	0%
Real Estate Dev. (Capitalized)	-	-	-	60,634	-	N/A
Balance Sheet Absorption	-	-	-	(60,634)	-	N/A
Depreciation	16,407	16,397	82,035	81,985	196,788	42%
<b>Total Operating Expenses</b>	<b>521,469</b>	<b>60,892</b>	<b>774,962</b>	<b>305,752</b>	<b>2,360,700</b>	
<b>Operating Revenue (Expense)</b>	<b>(463,523)</b>	<b>(2,178)</b>	<b>(257,891)</b>	<b>487,458</b>	<b>(685,744)</b>	
<b>Non-Operating Revenues (Expenses):</b>						
Other Interest Income	545	2,244	7,570	6,877	9,250	82%
Interest Expense	(19,939)	(21,650)	(103,238)	(117,844)	(245,105)	42%
<b>Total Non-Operating Exp.</b>	<b>(19,394)</b>	<b>(19,406)</b>	<b>(95,668)</b>	<b>(110,967)</b>	<b>(235,855)</b>	
<b>Change in Net Assets</b>	<b>(482,917)</b>	<b>(21,584)</b>	<b>(353,559)</b>	<b>376,491</b>	<b>\$ (921,599)</b>	
<b>Net Assets - Beginning</b>	<b>10,379,356</b>	<b>10,071,028</b>	<b>10,249,998</b>	<b>9,672,953</b>		
<b>Net Assets - Ending</b>	<b>\$ 9,896,439</b>	<b>\$ 10,049,444</b>	<b>\$ 9,896,439</b>	<b>\$ 10,049,444</b>		

**Significant Events:**

- Grant Revenue YTD - \$218K OCR grant supports loan to Freightliner.

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**Genesee Gateway Local Development Corp.**  
**May 2020 Dashboard**  
**Statement of Cash Flows**

	May 2020	YTD
<b>CASH USED BY OPERATING ACTIVITIES:</b>		
Grant Income	\$ -	\$ 218,000
Interest Income on Loans	1,341	8,027
Rental Income	17,734	242,922
Common Area Fees - Parks	-	500
Fees	2,400	2,900
Other Revenue	-	31,948
Operations & Maintenance	(20,091)	(61,694)
Professional Services	(6,162)	(54,551)
Economic Development Program Support Grant	-	(75,000)
Site Development Expense	(452,828)	(458,148)
Improvements of Land Held for Dev. & Resale	-	(100)
Issuance of Loans	(338,000)	(338,000)
Repayment of Loans	13,279	198,692
Net Cash Used By Operating Activities	(782,327)	(284,504)
<b>CASH FLOWS USED BY CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>		
Principal Payments on Bonds & Loans	(17,564)	(84,277)
Interest Paid on Bonds & Loans	(19,939)	(103,238)
Net Cash Used By Capital & Related Financing Activities	(37,503)	(187,515)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>		
Interest Income	545	7,570
Net Cash Provided By Investing Activities	545	7,570
Net Change in Cash	(819,285)	(464,449)
Cash - Beginning of Period	2,751,161	2,396,325
Cash - End of Period	\$ 1,931,876	\$ 1,931,876
<b>RECONCILIATION OF OPERATING EXPENSE TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating Expense	\$ (463,523)	\$ (257,891)
Adjustments:		
Depreciation Expense	16,407	82,035
Increase in Land Held For Dev. & Resale	-	(100)
Decrease (Increase) in Other Current Assets	436	(3,052)
Increase in Loans Receivable	(324,721)	(139,308)
Increase in Operating Accounts Payable	25,545	46,586
Decrease in Unearned Revenue	(36,471)	(12,774)
Total Adjustments	(318,804)	(26,613)
Net Cash Used By Operating Activities	\$ (782,327)	\$ (284,504)

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## 2020 Assessment of the Effectiveness of Internal Controls

### Purpose of the Genesee Gateway Local Development Corporation (GGLDC)

The GGLDC was created in 2004 with a focus on economic development opportunities related to real estate and corporate park development.

### Internal Controls

The accounting, financial reporting, and cash management functions are carried out relying on a multitude of internal controls. A Financial Procedures document details all aspects of the financial controls in place. To be efficient and cost effective and in accordance with the goal of developing shovel-ready sites to assist in the enabling of IDA assisted projects, the staff of the GGLDC's sole owner, the Genesee County Industrial Development Agency d/b/a/ Genesee County Economic Development Center (GCEDC), provides services which enhance the internal controls of the GGLDC. Examples of some of the controls used are listed below:

- All invoices must be reviewed and verified by the Treasurer or GCEDC's CFO, CEO or Sr. VP of Operations. All checks require two Board Member signatures. GCEDC's CFO opens and reviews all bank statements and bank reconciliations. – **Multiple persons signing off on the process and the GCEDC's CFO opens and reviews bank statements and does not have authorization to sign checks.**
- All checks received by the GGLDC are recorded and stamped "for deposit only" by GCEDC's Operations Assistant and given to GCEDC's Operations Manager for review. GCEDC's Operations Manager ensures that all funds are coded, and that each transaction is recorded in the accounting software. The deposit slips are then prepared by GCEDC's Staff Accountant and deposited in the bank. The deposit receipt from the bank is then attached to the appropriate back up for the deposit. – **Bank verification and receipts make this low risk.**
- Computers are password protected. Accounting software is separately password protected. Access to the accounting software is limited to the Operations Manager, Staff Accountant and CFO. – **Password protection and limited access to accounting software makes this low risk.**

Note: Internal controls are reviewed continuously and adjustments are made as necessary.

The system of controls applicable to the GGLDC was last reviewed by the GGLDC's Audit & Finance Committee on June 30, 2020. The Audit & Finance Committee's review affirmed that there are no material control weaknesses to be reported. The GGLDC undergoes an annual financial audit by an independent CPA firm. While auditors are not engaged to perform an audit of internal controls, auditors do provide management letter comments when they encounter internal weaknesses. No material weaknesses in internal controls have been identified by the independent auditors.

In summary, the present internal control structure appears to be sufficient to meet internal control objectives that pertain to the prevention and detection of errors and irregularities.

**Client Name: Genesee County Industrial Development Agency  
dba Genesee County Economic Development Center  
Genesee Gateway Local Development Corporation**

**GGLDC administrative tasks are performed by GCEDC employees**

**Audit & Finance Committee Last Reviewed: 6/30/2020**

**CASH CONTROL ACTIVITIES**

***Cash Receipts***

The GCEDC/GGLDC does not routinely handle cash. When cash is received, it's generally once a year at the annual meeting location via registration fees paid. Mail is opened by the Operations Assistant. All receipts are immediately marked "for deposit only". The cash receipts are deposited every 3 – 5 days in the appropriate cash account either in Five Star Bank, Key Bank, or The Bank of Castile. Posting of cash receipts to accounts receivable is done by the Staff Accountant. The postings are done promptly and accurately recorded as to customer account, amount and period. The Operations Manager reviews deposits and postings to customer accounts and general ledger accounts. Any adjustments to cash accounts are approved by the CFO. Cash held on site is stored in a locked file cabinet and kept independent of mail receipts. A PayPal account is used for annual meeting registration fees paid. Email notifications are received when payments have been made. PayPal deposits are recorded in the general ledger weekly by the Staff Accountant and the Operations Manager reviews the monthly activity.

***Cash Disbursements***

Cash disbursements are made by check, online payments, online bill pay or bank wire, except for small amounts from petty cash. Online payments and online bill pay are only made to ensure that bills are paid on time and to prevent late payment charges.

All checks require two signatures. GCEDC checks must be co-signed by at least one board member. GGLDC checks are signed by two board members. The GCEDC and GGLDC Audit & Finance Committee members are authorized bank signers.

All GCEDC line of credit withdrawals must be co-signed by at least one board member. GGLDC line of credit withdrawals must be signed by two board members.

Checks are pre-numbered and the sequence is accounted for regularly. All blank checks are kept in a secure location. All cash disbursement records are matched against accounts payable/open invoice files by the Operations Manager.

Invoices received are date stamped by the Operations Assistant and given to the Staff Accountant for review, tracking against contracts in place, to make sure supporting documentation is attached, and to ensure that the appropriate person signs off for approval of payment. All invoices are then reviewed by the Operations Manager and the CFO prior to disbursement checks being prepared. Checks are prepared by the Staff Accountant, only after proper matching of supporting documentation. Supporting documentation is marked with the check number when a check is prepared. The check signer reviews all supporting documentation. Purchasing documents are accounted for and controlled by the Operations Manager. Signed disbursement checks are returned to the Staff Accountant / Operations Assistant for mailing. *Mitigating controls: The CFO opens and reviews bank statements and does not have authorization to sign checks.*

All bank and interfund transfers are authorized by the CFO and the Sr. VP of Operations.

***Electronic/Online Payments***

Online bill pay can be used for payments to vendors that are on the Audit & Finance Committee pre-approved list. The same cash disbursement control procedures are followed, except that payments are acknowledged by two authorized bank signers after the online payment is complete.

***Bank Account Reconciliations***

Bank accounts are reconciled monthly by the Staff Accountant and reconciliations are reviewed by the Operations Manager and the CFO. All reconciling items are appropriate and supported. All bank statements received in the mail are delivered unopened to the CFO who opens, reviews and signs off prior to reconciliations being performed.

***Journal entries***

Non-standard journal entries are recorded in the general ledger by Operations Manager and the Staff Accountant and reviewed by the CFO.

**SUPPORT, PROGRAM SERVICE FEES, REVENUE AND RECEIVABLE CONTROL ACTIVITIES**

***Program Service Receivables***

Invoices are prepared once a month by the Staff Accountant. All invoices are numbered and issued in sequential order. Invoices are posted to the accounting system as payment is received. The individual(s) charged with the billing duties is also responsible for accounts receivable with the Operations Manager monitoring and reviewing the process.

***Pledges Receivable (Not Applicable)***

***Collections***

There are no established credit policies.

When cash payments are received they are posted to customer accounts by the Staff Accountant. The GCEDC/GGLDC does not prepare regular customer statements. Invoices for rent and revolving loan fund payments are mailed once a month and outstanding invoices older than 30 days are followed up via telephone by the VP of Business Development, Senior VP of Operations, or CFO.

***Trial Balance***

The accounts receivable aging is maintained separately from the general ledger. The aging is reconciled once a month by the Operations Manager. Program revenues recorded are compared with the budget monthly by the Operations Manager and any significant deviations from budget are investigated and explained.

***Allowance for Doubtful Accounts Program Services fee write-offs:***

All write-offs to rent or revolving loan fund accounts are approved by the GCEDC/GGLDC Board of Directors. The accounts receivable aging is reviewed monthly by the Operations Manager. Accounts are deemed possibly uncollectible and written off to the allowance for doubtful accounts when they meet the following criteria: When the board of directors determines that all efforts to collect have been exhausted.

## INVESTMENTS AND DERIVATIVE CONTROL ACTIVITIES

*The GCEDC and GGLDC's Investment Policies are provided separately.*

## EXPENSES FOR PROGRAM AND SUPPORTING SERVICES AND ACCOUNTS PAYABLE AND PURCHASES CONTROL ACTIVITIES

### ***Purchasing (Other than Inventory)***

Purchasing is done by the Operations Assistant. For all purchases (other than items of inventory), the purchases are supported by approvals and authorizations. The GCEDC/GGLDC does not require pre-numbered purchase orders. Individuals with the right to approve and authorize purchases are the President/CEO, CFO, and Senior VP of Operations. The Operations Manager approves purchases of supplies, equipment and postage that are within budget as well as any other purchases that were planned for within the budget.

### ***Receiving, Recording Payable and Expense***

When the ordered items are received they are inspected for condition and counted by the Operations Assistant. Due to the small nature of the organization, full segregation of duties is not possible. The individual responsible for receiving is also responsible for purchasing, with oversight by Operations Manager or Staff Accountant.

The invoices subsequently received from vendors are matched up to the purchase orders and receiving reports and compared for quantities received, product ordered, pricing and clerical accuracy by the Operations Manager. For any goods that are returned, the shipping documents are maintained and reviewed and matched to vendor credit memos.

The payables are paid approximately twice a month by the Staff Accountant. The checks are reviewed and signed by two authorized bank account signers.

### ***Trial Balance***

The accounts payable aging is maintained separately from the general ledger. The aging is reconciled monthly by the Operations Manager. The GCEDC/GGLDC does not prepare monthly vendor statements. The President/CEO, CFO and the Audit & Finance Committee review the detailed monthly financial statements and compare the balances in expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained.

## GCEDC PAYROLL AND EMPLOYEE BENEFITS CONTROL ACTIVITIES

### ***Payroll***

Employees are paid biweekly out of the Five Star Bank primary checking account. Funds are transferred into the account used for payroll from the Five Star Bank primary savings account by the Operations Manager. The GCEDC transfers funds to cover payroll as needed. All fund transfers are authorized by the CFO and Senior VP of Operations. Employees are never paid in cash.

Salaried employees are not required to submit weekly time records however; a record of absence is to be maintained by each employee, kept current and electronically stored in a common location as directed. Employees must have vacation compensation approved by the President/CEO or CFO. The individuals responsible for approving time are not responsible for processing or recording payroll.

Hourly employees are required to submit bi-weekly time records to their supervisor to report hours worked.

Complete Payroll Processing is the service provider used to process payroll. All the payroll information provided to the service organization such as pay rates and withholdings is authorized by the President/CEO and/or CFO. Bi-weekly payroll information is submitted to Complete Payroll Processing by the Operations Manager after compiling adequate support for the time worked by the employees. The registers produced by the service are reviewed after processing and approved by Operations Manager. The review is done to ensure the payroll transactions are only for authorized employees and that the correct pay rate is used. GCEDC does not pay commission to its employees.

All payroll checks are pre-numbered and used in sequence and any unissued checks are controlled by Complete Payroll Processing.

When new employees are hired they complete the appropriate paperwork including withholding forms and authorizations for payroll deductions that are maintained in personnel files by the Operations Manager and are entered into the payroll system by the Operations Manager. When employees are terminated they are removed from the payroll system by the Operations Manager. When there are raises or changes in pay rates, they are approved by the President/CEO or CFO and entered into the payroll system by the Operations Manager. All changes in personnel data are reported promptly so they can be properly taken care of in the payroll database.

The timely remittance of payroll taxes and of the payroll tax returns is overseen by Complete Payroll Processing.

#### ***Employee Benefits***

For all benefits provided to employees such as health insurance, retirement plans, and fringe benefits, support is maintained in the personnel files authorizing deductions by the Operations Manager. Individuals with the appropriate level of knowledge are responsible for monitoring employee benefit matters and for ensuring withholdings such as 403(b) or NYS Deferred Compensation deferrals and cafeteria plan withholdings are remitted timely. These individuals include the CFO and Operations Manager.

#### ***Trial Balance***

The Operations Manager reviews the monthly financial statements and compares the balances in the payroll and employee benefit expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained. The detailed payroll records are also reconciled by the Operations Manager to the payroll tax returns quarterly, and the total W-2s are reconciled to the general ledger at year end by the Operations Manager.

When necessary the appropriate payroll accruals including accruals for compensated absences are made to the general ledger by the Operations Manager.

#### **Computers / IT**

All computers are password protected. Peachtree is password protected. Each user has an independent password. Those with access to the Peachtree system are the Operations Manager, Staff Accountant, and CFO. The CFO does not post or change any data in the system; he/she reviews data only.

All employee computer files are backed up to the server and the server is backed up to an off-site location (Erie County IDA) on a nightly basis. The back-up is monitored by the IT Consultant and the Operations Manager.

**GCEDC Employee Reimbursements**

Employee reimbursement requests are submitted to and approved by the Senior VP of Operations and CFO. The President/CEO must sign off on requests submitted by the Senior VP of Operations or CFO. Two Board members must sign off on requests submitted by the President/CEO.

**GCEDC Travel Authorization**

Travel involving overnight accommodation or travel outside of New York State requires prior approval of the President & CEO (or the Chairman or Vice-Chairman of the Board, in the case of the CEO's travel).

Signed travel authorization forms are attached to subsequent reimbursement requests to verify that expenditures are appropriate and in line with the prior approval.

**GCEDC / GGLDC**

**Pre-Approved List of Vendors That Can Be Paid Online:**

- Tompkins Trust Company (Visa)
- Selective Insurance
- Toshiba Financial Services
- National Grid
- National Fuel
- Level 3 Communications (Internet & Phone)
- Verizon (Elevator security phone)
- Five Star Bank (Loan payments)
- KeyBank (Line of Credit payments)
- Bank of Castile
- Five Star Bank

Last Reviewed & Approved by Audit & Finance Committee:

GCEDC - 6/30/2020

GGLDC - 6/30/2020