

**Economic Development Authority of Botetourt County  
Fiscal Controls Policy**

**I. Purpose of the Policy**

It is the intention of the Economic Development Authority of Botetourt County (Botetourt County EDA) to practice sound financial management and to conduct the financial transactions of the organization using generally accepted accounting principles. The purpose of this Fiscal Controls Policy is to identify the various components of sound financial management and to provide a process for achieving them.

**II. Responsibilities of Authority Members and Staff**

It is the inherent responsibility of all Authority Members and Staff to abide by the requirements and conditions set forth in this Policy. Day-to-day operations of the Authority are to be handled by an executive director to be named by the Authority.

**III. Receivables**

The Secretary shall be responsible for receiving and opening the mail for the organization. The Treasurer may designate an individual from within the organization or with a closely aligned organization to receive and open the mail in the Secretary's absence and to record the information. Upon receiving funds for the organization, the Secretary shall record the amount, whom the payment is from and what it is for. A photocopy of the check payment will be made and retained with the financial records of Botetourt County EDA. Checks will be stamped "For Deposit Only." Cash will be counted and documented. Additional documentation for cash deposits will include an attestation of funds, which will be signed by two persons. All funds received shall be deposited and recorded immediately upon receipt when at all possible; in all cases, deposits shall be made by the end of the next full business day. Any checks and/or cash kept in the office overnight will be locked in a suitable drawer within the Secretary's office. The Executive Director shall be responsible for the depositing of funds received from the Secretary. The Accountant shall subsequently enter the information into the accounting system upon receiving it either from the Secretary or Executive Director, or in their absence, the Treasurer. The Treasurer will receive copies monthly of the actual payments received and bank deposits. The Accountant is responsible for the reconciliation of the bank account, and the Treasurer will review the reconciliation before it is presented to the Authority at its next regular meeting. If any person other than the Secretary receives funds for the organization, that person shall immediately notify the Treasurer of the funds and transmit the funds to the Secretary as soon as possible.

**IV. Accounts Receivable**

The Treasurer and Secretary will keep a detailed listing (including aging) of all accounts receivable and will work toward collecting them on a consistent, timely basis. The Accountant or Secretary shall be responsible for preparing and sending invoices on behalf of Botetourt County EDA.

Accounts receivable that cannot be collected will be forwarded to the Treasurer for review before being presented to the Authority for consideration. At the Treasurer's discretion, receivables may be referred to the Authority for consideration. Only the Authority may release or discharge a receivable.

## **V. Accounts Payable**

Any and all payments made by the organization shall be based upon the receipt of a suitable invoice from the individual or vendor requesting payment. The invoice should contain sufficient information to allow the Executive Director and Treasurer to determine the initial date of the obligation, purpose, the due date of the invoice and amount requested. Sales taxes shall be separated in the amount due and subtracted from the total amount due. The Accountant is responsible for receiving invoices and preparing checks for payment twice monthly, on the 10<sup>th</sup> and 25<sup>th</sup> of each month, or the following business day should the 10<sup>th</sup> and 25<sup>th</sup> fall on a weekend or holiday. It is Botetourt County EDA's intent to remit payment within forty-five (45) days from the date of receipt of a valid invoice. The Executive Director shall review the invoices and may recommend invoices for payment to the Treasurer. The Treasurer shall review the invoices, verify their accuracy and the accuracy of any supporting documentation; validate that the services documented in the invoice were received and performed in accordance with underlying terms and agreements; and then approve them for payment. A copy of the invoice, along with all supporting documentation should be maintained, along with documentation signifying the approval for payment. All payments made by the organization shall be made by checks or wire transfers as needed from Authority-approved bank accounts. Wire transfers shall not occur without the prior approval documented through an authorization form. Checks shall be countersigned by the Authority Chairman, Authority Vice-Chairman, or the Authority's one (1) additional designee (Executive Director) for a minimum of two signatures on each check.

## **VI. Bank Statements**

The Treasurer shall receive all bank statements by mail directly to his/her business mailing address. The Treasurer shall open and review the bank statements, initial such review on the statements, and transmit the statements to the Accountant. The Treasurer may retain copies of all statements received. All bank statements must be reconciled by the Accountant within fifteen (15) days of receipt. Bank reconciliations will be reviewed by the Treasurer monthly.

## **VII. Credit cards and Petty Cash**

Botetourt County EDA may use credit cards and shall have a separate policy adopted by the Authority concerning the usage of credit cards. Botetourt County EDA will not maintain a petty cash system.

## **VIII. Payroll**

At this time, the Botetourt County EDA does not employ any staff; therefore, payroll services are not required as of the date this policy is adopted.

## **IX. Budgeting**

The Botetourt County EDA operates on a July 1 to June 30 fiscal year and shall adhere to all applicable Code of Virginia and Botetourt County requirements. All expenditures made by the Botetourt County EDA, in conformance with the above Section V, must be made in accordance with a budget adopted by the Authority. The Executive Director is responsible for preparing and presenting annual operating budgets to the Authority not later than the May regular meeting preceding the commencement of the ensuing fiscal year. Budgets will clearly detail expected revenues, by amount and source, and proposed expenditures, by amount and purpose. Project budgets, including for capital improvements, shall be presented to the Authority for approval before or concurrently with contracts for materials and services related to the capital improvement project and budget. Project budgets, once approved by the Authority, are active for the term of the project, which could include multiple fiscal years.

## **X. Reimbursements**

As identified in the above Section IX, Authority members and staff may from time to time incur certain expenses on behalf of the organization. Reimbursements will be requested on a form approved by the Accountant. Reimbursement requests will be accompanied by valid receipts, which provide sufficient detail for the reviewer to determine the propriety of the reimbursement request. Requests for meals and/or related reimbursements will denote the individuals in attendance, their employing organization, and the business purpose of the expenditure. The Treasurer may approve these reimbursements but shall not also approve his/her own personal reimbursements. Mileage shall be reimbursed at the prevailing IRS rate at the time of the trip. The Chairman and Vice Chairman who countersign the reimbursements will also approve the reimbursement requests, except when the reimbursements are their own and in which case, the Accountant shall review the reimbursement request for consistency with other, similar requests and may approve. Authority member meeting attendance stipend shall be consistent with the rates approved by the Board of Supervisors. Reimbursements to Authority members other than for meeting attendance stipends and mileage *shall/may/should* be approved, in a similar manner as stipends and mileage, prior to encumbering the expenses that create the reimbursement request.

## **XI. Procurement**

Procurement of goods, services, and for capital improvement projects shall occur in a manner consistent with the Code of Virginia. Applicable Botetourt County procurement policies may be used as a guide by the Authority.

## **XII. Reporting**

Botetourt County EDA will annually cause to have prepared and submitted to the Authority and additional applicable organizations an audited financial statement in accordance to the Code of Virginia Section 30-140. The Authority shall review and approve a contract for services with an Auditor. The Executive Director shall forward real estate contracts, economic development

incentive performance agreements, and similar documents approved by the Authority to the Accountant and Pre-Auditor to ensure that any financial implications of these obligations are reflected in the Authority's financial statements. Authority members shall receive monthly-prepared financial statements, checking account statements, and check or payment registers at each regular meeting of the Authority for the two preceding months' fiscal activity. The Botetourt County Treasurer and Director of Finance shall also receive copies of the financial statements when forwarded to the Authority members.

### **XIII. Electronic Banking**

Botetourt County staff shall be allowed on-line access to Botetourt County EDA's financial accounts for the purposes of checking account balances, confirming deposits, and retrieving account statements, which will require including staff names on the signature card for a Botetourt County EDA account. Staff shall neither have the authority to transfer funds electronically nor to sign Botetourt County EDA checks.

### **XIV. Special Financing**

The Authority may from time-to-time initiate special financing, such as the sale of bonds or other instruments. Such special financing may require actions separate from this Policy. When special financing procedures require actions separate from this Policy, the Authority shall review the special financing procedures and approve their implementation and administration and such procedures should not be construed to conflict with this Policy.

### **XV. Additional Controls**

*(Reserved.)*

**APPROVED** by the Economic Development Authority of Botetourt County at its regular meeting on March 25, 2022.