



TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

INTERNAL CONTROL POLICY AND MANUAL

Approved March 2008

Revised: February 8, 2012 – Resolution 3 (2012)

Amended: February 7, 2018 - Resolution 3 (2018)

Amended: February 6, 2019 - Resolution 4 (2019)

Amended: February 5, 2020 – Resolution 9 (2020)

Reaffirmed: February 24, 2021 – Resolution 6 (2021)

Reaffirmed: March 9, 2022 – Resolution 5 (2022)

Reaffirmed: February 22, 2023 – Resolution 7 (2023)

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I. INTRODUCTION

The Town of North Hempstead Community Development Agency (“Agency”) adopted this Internal Control Policy and Manual (the “Manual”) in July 2006 with substantial revisions in 2012, 2018, and 2019.

The Manual will assist the user in accessing current policies and procedures and understanding the systems implemented to carry out Agency operations. The policies and procedures are incorporated into this document as they currently exist and should be updated as conditions change as to staff availability, applicable laws, and program requirements. The Manual should be treated as a living document and reviewed at least every other year to maintain its effectiveness.

All policies and procedures, in the absence of overriding regulations, should be established with the idea that the cost of effectively utilizing the policy/procedure does not exceed the benefit obtained.

II. AGENCY BACKGROUND

The Town of North Hempstead (the “Town”) established the Town of North Hempstead Community Development Agency (the “Agency”) in 1967 as the municipal urban renewal agency of the Town, organized and existing under Article 15-A and Section 654 (title 86 of Article 15-B) of the General Municipal Law (“GML”) of the State of New York (the “State”) and various local laws. In 1978, the Agency’s name was changed to its present designation.

The Agency is a corporate, governmental agency designated to promote the safety, health, and welfare of the Town’s inhabitants and to promote the sound growth and development of the Town. The statutory purpose of the Agency, under GML §551, is the “...expeditious undertaking, financing, and completion of municipal urban renewal programs ...” Since its formation, the Agency has been tasked by the Town Board of the Town of North Hempstead (the “Town Board”) with the implementation of urban

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renewal programs or plans as well as other redevelopment programs and grant-funded programs.

A “local authority”, the Agency is also subject to the Public Authorities Accountability Act of 2005, and the Public Authorities Reform Act of 2009. These Acts impose a host of requirements on the members and operations of “state and local authorities” that promote transparency, accountability, and enumerate and clarify the responsibilities and functions of board members and oversight.

The governing body of the Agency, commonly referred to as the Agency’s Board consists of a maximum of five (5) members (the “Members”). Members are appointed by and serve at the pleasure of the Town Board, according to General Municipal Law §553. The Agency Board establishes policy and makes decisions by action taken at regular meetings, according to the Agency’s By-Laws. The Executive Director serves as the Chief Executive Officer, while the Assistant Executive Director serves as the Chief Financial Officer.

By and through the Town, the Agency participates as a subrecipient of the Nassau Urban County Consortium (“Consortium” or “Participating Jurisdiction”) for Community Development Block Grant (“CDBG”) Program and HOME Investment Partnership Act (“HOME”) Program grants (“Federal Aid”) from the United States Department of Housing and Urban Development (“HUD”).

The Agency provides a range of community development services, including construction of affordable housing, residential and commercial land acquisition, code enforcement services, public facility improvements, and assistance to public service organizations.

The Town is accountable for the legally separate Agency because it appoints the Members, the governing body of the Agency, and there is a potential for the Agency to provide specific financial benefits to, or impose financial burdens on, the Town.

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The Agency functions with the support of some interconnected parties identified as follows:

Agency Board: The governing body consisting of five Members appointed by the Town Board.

Officers: Chairman, Vice-Chairman, Treasurer, and Secretary with duties described in the By-Laws (see Appendix).

Agency Employees: Executive Director, Assistant Executive Director, Administrative Assistant.

Town Departments: Town Attorney, Deputy Town Attorneys, Planning Commissioner, and Staff, Grants Management, Public Affairs, Administrative Services, IT Department, and other related departments.

Contractors: Internal Accountant, Independent Auditor, Outside Counsel

Nassau County: Office of Community Development (OCD) Community Development Representative

III. COMPLIANCE WITH LAWS AND REGULATIONS AND ADMINISTRATION OF PROGRAMS

Policies: Annually, the Agency Board reviews and approves Agency Policies (the “Policies”). The Administrative Assistant regularly posts [Policies](#) on the Agency’s webpage. The Agency will follow Town Policies when mandated or practical.

NYS Authorities Budget Office (“ABO”) Reform Act Compliance: The Agency complies with the ABO Reform Act reporting through the Public Authorities Reporting Information System (PARIS) as required and recommended. The Agency posts [Organizational Documents, Policies, and Reports](#) on its website. The Agency also publishes [the Board meeting schedule, Agenda, and Minutes](#).

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The Board has two standing committees, Governance, and the Audit and Finance, with their Charters posted under Organizational Documents. The Governance Committee reviews existing and new Agency Policies annually before Board approval. The Audit and Finance Committee review the Audit timeline and the Audited Financial Statement and Single Audit before Board Approval.

The Agency files a budget with the ABO by October 1 for the following fiscal year. The Agency submits an annual report, audited financial statement, procurement report, accomplishments report, and investment report by April 1 for the prior fiscal year.

HUD Funds: The Agency administers programs as a subrecipient following HUD regulations for the Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) Programs, the Public Authorities Accountability Act of 2005, and the Public Authorities Reform Act of 2009. The Agency is awarded annual CDBG funding under a subrecipient contract with the Nassau County Office of Community Development (OCD) (administrator Nassau Urban County Consortium – a HUD Participating Jurisdiction). Agency staff prepare applications for annual program assistance, which are submitted to the members of the Agency for their approval and submission to OCD). (For more detail see Appendix A).

IV. GENERAL ACCESS CONTROL TO AGENCY OFFICES AND INFORMATION TECHNOLOGY

The Agency shares its offices with the Town Department of Public Safety. The Town Department of Administrative Services maintains the offices. The Town manages access control to the offices by passkeys. The Agency secures records, documents with personally identifiable information, and check stock in locked file cabinets and rooms.

The Town Department of Information Technology maintains, supports, and controls access to computers, telephones, printers, and copiers in the offices through a system of user identifications and passwords.

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V. ACCOUNTING PROCEDURE GUIDES

The included procedure guides are available for the use of management and employees to process the transactions of the Agency in a timely and accurate manner to provide the Agency Board with decision making information and financial statements prepared following generally accepted accounting principles.

A. ACCOUNTING SOFTWARE

The Town of North Hempstead provides the Agency with the use of its enterprise accounting system and associated modules currently the New World System by Logos (“New World” or “Logos”). The Agency uses Downhome Loan software (“Downhome Loan”) to manage its loan portfolio.

B. CASH MANAGEMENT

Reconciliations are prepared between the Agency’s records and the bank statements (see the detailed procedures in the Bank Reconciliation section) to maintain adequate control over cash. Below are the systems for cash management.

1. *DEPOSITORY ACCOUNTS*

The Agency Board authorizes all bank accounts (“Bank Accounts”) and bank account signatories. The Agency invests funds following the Agency’s Investment Policy.

2. *CASH RECEIPTS*

Receipts (in the form of cash, checks, money orders or direct deposits) are received, receipted and deposited by the Agency in the ordinary course of business (see the detailed procedures in the Cash Receipts section).

All mail (except junk mail) that comes directly to the Agency is opened by the Administrative Assistant and date stamped. The Executive Director or Assistant Executive Director deposits all checks and money orders. The Administrative Assistant receipts the deposit into the New World General Ledger Cash Receipts module (“Cash Receipts”). The Assistant Executive Director receipts payment in Downhome Loan. The

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Internal Accountant reconciles the Bank Accounts, General Ledger, and Downhome Loan System reports.

The Agency receives ACH payments directly from Nassau County for reimbursement of Federal Program expenditures (drawdowns), from other grant programs, and for some loan repayments. The Administrative Assistant records the ACH credit and posts in the Cash Receipts module, noting paid drawdowns (DD) requests in a spreadsheet.

Interest Income is recorded monthly, into the applicable accounts, when the bank statements are received.

3. CASH DISBURSEMENTS (INCLUDING PAYROLL)

a) Non-Payroll Disbursements and Accounts Payable

The Agency processes non-payroll disbursements through the Town's New World Accounts Payable system except pre-authorized vendor direct drafts and wire transfers. The Agency issues non-payroll payments with computer-generated checks, which are pre-numbered by the New World System and issued in sequence. Check stock is secured in locked cabinets.

The Administrative Assistant receives invoices and prepares a payment packet. The Executive Director or her designee reviews and approves payment allocating the expense to the appropriate Budget line item, project, and grant year(s), by reviewing the most recent Internal Reconciliation with OCD's Chart of Accounts (prepared by the Internal Accountant).

The Executive Director or his designee will initial the expense review noting that goods/services were received and in compliance with contract provisions where applicable.

The Administrative Assistant enters, and Town Comptroller's Office staff approves new vendors in the New World System.

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Payments are made to Vendors on Agency claim forms. If an invoice is received without a claim, the Administrative Assistant can transfer the appropriate information to an Agency claim form and copies of all claims and related invoicing documentation is saved.

The Administrative Assistant enters the claims into the Accounts Payable module and produces a check for signature. The Vendor Invoice number and a description of the project will be included in the A/P processing for future reference when reviewing the general ledger activity. Checks are signed, and claims are certified. Two physical signatures are necessary for checks. Usually, they are the signatures of the Executive Director, and one Board Member, however, can also be two Board Members.

Once checks are signed, the checks and claim voucher with backup are reviewed and certified by the Assistant Executive Director. The Administrative Assistant mails checks, or they are picked up by the vendor. Any returned items would go to the Agency for follow up.

The Administrative Assistant scans copies of original claims which are maintained in the Agency's computer drive with hard copies kept in the Agency files.

b) Payroll Disbursements

The Agency has an outside Payroll Service process payroll checks and related reports with payments made via direct deposit. The Payroll Service prepares a biweekly payroll package that it delivers to the office. Each employee receives a payroll stub detailing the individual employee information.

The Board has approved compensation and salary increases for two employees in a collective bargaining agreement between the Agency and the Civil Service Employees Association, Inc. The Executive Director has a separate contract approved by the Board, and salary increases are subject to Board approval. The Internal Accountant calculates annual salary increases, which are provided to the Administrative Assistant who will input into the payroll system.

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The Agency grant budget lines for salaries and fringe benefits (“Personnel Costs”) are separate from OTPS (other than personnel service). Employees complete timesheets for each biweekly pay period allocating time spent on various programs in a computer-based timesheet reporting system (“Timesheet System”). The Internal Accountant developed this Timesheet System to facilitate the compilation of Personnel Costs organized by grant program budget line.

The Administrative Assistant prepares a grant or program income reimbursement claim based on the Internal Accountant’s Personnel Cost allocation, Payroll service reports, and copies of withholdings disbursed. The claim is reviewed and signed by the Executive Director then submitted to the County OCD for reimbursement.

The Executive Director approves the other employees’ timesheets and accrued-leave requests. The Assistant Executive Director approves, the Executive Director’s timesheet.

The Agency tracks time and accrued-leave benefits on a spreadsheet compared with the individual employee's timesheet file. Each staff member reviews and certifies an annual summary of accrued-leave benefits. See separate section on Compensated Absences in Debt Management section.

4. BANK RECONCILIATIONS

The Banks send monthly statements of activity to the Agency. The Agency retains originals statements. The Internal Accountant conducts a monthly bank reconciliation with bank statements and the New World detailed General Ledger Report.

The Administrative Assistant receipts cash and posts transfer activity in the New World System. Non-payroll disbursements are recorded in the New World Accounts Payable module (“A/P Module”). The Administrative Assistant enters gross payroll and employer taxes in the A/P Module.

The Agency uses the Lump Sum bank account for all disbursements. However, transactions are recorded in either the General Ledger Lump Sum Cash Account or the Program Income Cash Account based on the source of funding.

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The bank reconciliation process identifies timing differences in posting and also the current total of funds due between the two cash accounts (Lump Sum and Program Income). Because checks are only drawn on the Lump Sum Bank account, transfers between accounts are done as needed.

The activity of the Program Income account is reported semi-annually or quarterly to OCD. The Program Income Report only includes general ledger activity of receipts and disbursements that have been identified as funded through Program Income and does not include the bank transfers to reimburse the Lump Sum cash account. The Administrative Assistant and the Internal Accountant will prepare this report. The Internal Accountant will review and reconcile the Program Income Report to the general ledger activity. The Executive Director will then review and sign the Program Income Report and submit to OCD for reporting in the HUD IDIS system.

Monthly, the Internal Accountant will review the 3rd party Cash collateral reports to ensure adequate collateral is available.

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C. FEDERAL AID MANAGEMENT

HUD Funds: The Agency receives an annual allocation of CDBG Funds as a subrecipient from Nassau County through OCD. The CDBG grant process is detailed in Appendix A. The Internal Accountant will input new general ledger accounts for the applicable approved budget lines.

OCD reimburses the Agency with grant funds after received, reviewing, and approving a drawdown (DD) request(s) submitted on a Nassau County claim form. OCD approves the payment subject to available budget lines.

Once the Agency has disbursed funds for the activity, the Administrative Assistant will make copies of the Agency claim documents and prepare a Nassau County Vendor Claim Form to request reimbursement. Each program line will be on a separate Vendor Claim Form. The Administrative Assistant assigns a unique identifying number with the year month and the next number in the sequence. For instance, DDXX0508 is the 8th DD in May of 20XX. The Internal Accountant reviews the claim, back up documentation, and initials claims ready for submittal to the Executive Director for approval.

The Agency's Executive Director or Assistant Executive Director reviews and approves the package of Agency DD copies and the Nassau County Vendor Claim form. The Administrative Assistant scans the package and submits it to OCD for approval. A hard copy with an original signature is provided to OCD when requested. OCD is in the process of transitioning to a web-based online portal ("Zoomgrants") to request reimbursements and electronically file claim vouchers with back up documentation.

OCD will review the DD documents requesting additional information or back up documentation if necessary. OCD then forwards the DD to the Nassau County Comptroller's Office Claims Department for review and approval. OCD updates its internal schedules to track available funds by activity line and grant year. Periodically, OCD reports the balances available to the Agency. This process will transition to real-time reporting through the Zoomgrants portal, starting in 2020.

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The Agency tracks all DD claims on spreadsheets. When the Agency receives a payment, it is marked as received on the spreadsheet by the Administrative Assistant. Any discrepancies are noted and followed up until resolved. OCD will send an ACH Credit to the Agency, and the Administrative Assistant records the cash receipt in the general ledger with a notation of the DD's paid.

Advances claims applicable to some grant program lines (i.e., downpayment assistance) are followed by an item of expenditure and then a Zero Claim for closeout. Zero Claims are processed in the same drawdown manner with the attached back up is the copy of the canceled check and other documents requested by OCD (i.e., closing documents). After the Executive Director signs the DD, the claim is submitted to the OCD for review.

Monthly, the DD(s) will be recorded and a receivable set up in account CD901.0410 with their various revenue lines recorded as applicable. The Internal Accountant will prepare these entries from the DD(s) and post in the appropriate month's general ledger activity. Approval of the entry will be by the Executive Director or Assistant Director.

The Internal Accountant will update a schedule based on disbursements and receipts that identifies the current available balances in the grant program lines broken down by the program year ("Internal Reconciliation"). The Internal Accountant will reconcile this schedule with the monthly report of OCD. Monthly, the Internal Accountant will reconcile revenues and expenses of the General (Lump Sum) fund, which is funded by the CDBG Grant on a reimbursement basis. The Internal Reconciliation Schedule will also be used for other grant programs.

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D. LOAN/GRANT MANAGEMENT

Under the terms of the Community Development Block Grant program, the Agency can provide loans and grants for residential improvements for low and moderate-income homeowners residing in the unincorporated sections of the Town.

The Agency also provides loans and grants for business and commercial development and redevelopment.

1. REHABILITATION LOANS

Rehabilitation Program assistance is initiated by property owners submitting a voluntary application to the Agency. The Agency prioritizes applications in the order received, except for emergencies. Emergencies are addressed before a regular rehabilitation project. Agency staff reviews applications and field conditions for eligibility. The staff makes an executive summary of the household situation, existing conditions, proposed work, and proposed assistance.

- a) The determination of emergency vs. regular rehabilitation assistance is based on the following:
 - 1) ***Emergency Rehabilitation Assistance (ERA)*** is for work related to a condition that makes living in the house dangerous or, if left unaddressed, can cause a hazardous condition and or new indirect conditions. Generally emergency work is addressed under a single trade contractor procured by (2) two or more letter proposals within the Agency's current (ERA) amount or an amount approved by the Board of Directors. ERA cases may proceed before the Board of Directors' approval and ratified at a future Board of Directors' meeting. Regular Rehabilitation (RRA) often follows ERA assistance.
 - 2) ***Regular Rehabilitation Assistance (RRA)*** is for work related to existing nonconforming improvements, deteriorated conditions, and housing unit conditions that do not meet Housing Quality Standards. This work is generally higher in costs as compared to ERA and is addressed via a general contract involving more than one trade, requiring a work specification, general conditions, invitation to bid, and sealed bid proposal of (2) two or more bids. RRA is approved by the Board of Directors and secured by a note and mortgage.

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- b) Bids or letter proposals amounts that exceed ERA or RRA amount can be addressed as follows:
 - 1) The property owner depositing escrow funds with the Agency for the amount that is above what is approved, or
 - 2) Reduce the base bid amount by selecting a bid proposal option, or
 - 3) The Board of Directors can approve a staff recommendation for an additional loan or grant assistance.
 - 4) Assistance exceeding \$25,000 requires work to be done by a lead abatement contractor.
- c) Work may proceed following assistance approval (owner's selection of a contractor, recording of note, mortgage, and owner/contractor contract signing). As work is underway, Agency staff makes inspections and owner and contractor submit Payment Requisitions (vendor invoices) to the Agency, certified by the contractor, homeowner, and Agency staff. Contract retainage is withheld on partial payments and released with the final payment. Payment Requisitions are processed the same as other Agency vendor invoices.
- d) When a loan becomes payable (i.e., the death of the borrower, refinancing, rental, sale, or transfer of the home) and the principal balance of the loan is paid, the Agency issues a mortgage satisfaction. Receipts from these payments are reported as a reduction of the Receivable account and deposited into the Agency's Program Income savings account. (See paragraph regarding recognition of revenue of satisfaction of loan).
- e) If the borrower does not meet the obligations of the loan documents (i.e., note and mortgage), the Agency seeks payment. If the debt is determined to be uncollectable, staff recommends that the Board of Directors approve one of the following options:
 - 1) Write-off of the loan and retain the lien for future collection,

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- 2) Write off the loan as uncollectable (i.e., in a mortgage foreclosure situation), or
- 3) Foreclosure of the loan (to be done primarily if the home is unoccupied).

This staff recommendation is based on which action will result in the highest return relative to the amount of debt and the cost to collect the debt.

- f) The Down Home Loan Software is used to track loans, escrow, and grants. New Loan, Grant, and Escrow activity should be recorded contemporaneously. The total balance due and escrow amounts are reconciled with the general ledger annually. Annually, the Receivable account and Deferred Revenue account are reconciled, and the funds from loan satisfaction(s) recognized as income in the Program Income account.

2. ESCROW FUNDS

When there is a need for additional funds to complete a project, the borrower may be asked to remit to the Agency funds for safekeeping.

When funds are received for future payment for a specific project, they deposited by the Agency in the Escrow Cash account.

The Agency only issues checks from the Lump Sum cash account, so when the escrow funds for a project are to be released, there must be a transfer of funds to the Lump Sum account.

When the claim voucher for the borrower/contractor is approved, a transfer request should be prepared at the same time with the voucher as supporting backup.

The Down Home loan program used by the Agency has sufficient note space to track the receipt and disbursement of escrow funds. This information is recorded and reconciled to the escrow accounts, periodically but not less than annually.

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3. *PROGRAM INCOME*

The Administrative Assistant prepares a quarterly report of Program Income activity, which includes receipts and disbursements of the (Program Income) fund.

The reported activity is reconciled to the general ledger by the Internal Accountant before the Executive Director approves and submits it to OCD.

The Internal Accountant compares the administrative expenditures made to the limit as a percent of allowable program income following the guidelines of the CDBG program.

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E. ASSET MANAGEMENT

To meet its goal of community revitalization, the Agency acquires properties identified in the Urban Renewal Plan. The properties held for redevelopment and disposed of following GML Article 15-A.

The CDBG subrecipient agreement includes a budget line to reimburse the Agency for acquisition costs. Acquisition costs for properties that are acquired are generally capitalized and added to the value of the property, as reported for the financial report and to ABO. Some of these costs could be for properties that never transfer ownership to the Agency. See the Real Property section.

The Agency purchases various furniture and office equipment. See the Personal Property section.

The Executive Director can dispose of items that are fully depreciated or below the capitalization threshold when they become damaged or obsolete. Items not fully depreciated that no longer serve a purpose for the Agency will be reviewed for proper disposal following applicable laws, program guidelines, and the Agency's Guidelines for the Disposal of Property.

1. REAL PROPERTY

The Agency will track the Acquisition costs by the individual property compiling information from the Acquisition expense lines, which may include multiple program years. Costs that are allocable to multiple properties must be analyzed via spreadsheets by the vendor and then posted to the property spreadsheet additions.

The Agency holds the property for redevelopment and does not record depreciation on any buildings or improvements on the property.

The Agency disposes of property following GML Article 15-A along with any grant funding guidelines. When a property is sold, the Sale Price and any miscellaneous fees received are credited to the revenue account in Program Income, and the cumulative costs

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are deleted from the capital assets spreadsheet. The Agency reports activity following the Authority Budget Office guidelines.

2. PERSONAL PROPERTY

If an item purchased meets the Agency's capitalization threshold of \$2,500, then it will be capitalized on a separate spreadsheet and depreciated over the useful life on a straight-line basis.

F. DEBT MANAGEMENT

The Agency does not issue long term debt obligations to the public but may enter into borrowings with the Town for the upfront financing of specific projects. See Due to Other Governments section below.

Based upon employee contracts and agreements, the Agency is responsible for the payment of accumulated leave benefits that employees have earned but have not taken as of the end of the year. See the Compensated Absences section below.

1. COMPENSATED ABSENCES

The Agency accrues employee time according to contractual agreements. The Agency tracks time accrued and used by an individual employee(s) on a separate spreadsheet. The employee request leave when taking time off.

Each employee is given a summary and signs off on his or her leave balance as of December 31 to ensure that the Agency has an accurate accounting of leave balances.

For financial statements, the Agency records the value of leave benefits an employee may take at separation in the government-wide report under GASB 34.

2. OTHER POST EMPLOYMENT BENEFITS

A Town Actuarial Contractor ("Actuary") conducts an annual GASB accrual liability analysis. The Agency provides relevant data to the Actuary who prepares a report.

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Reports and underlying assumptions are produced for audit by the Agency's Independent Auditor.

3. DUE TO OTHER GOVERNMENTS

The Agency records loans to the Town as per the terms of the notes signed. Interest is accrued for financial statements only when the terms of the notes indicate.

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Appendix A – Compliance with HUD Regulations

Nassau County Office of Community Development (“OCD”) administers the Nassau Urban County Consortium (“Consortium”), which is an Entitlement Community or Participating Jurisdiction (“PJ”) for the U.S. Department of Housing and Urban Development Community Preservation and Development Grant Programs. These programs include the Community Development Block Grant (“CDBG”), HOME Assistance Partnership Act (“HOME”), and Emergency Solutions (“ESG”) Grant programs. Nassau County OCD prepares and submits a Five Year Consolidated Plan to HUD. The Nassau County Consolidated Plan presents a five-year strategy for addressing housing and community revitalization needs within the member Urban County Consortium. It includes a One Year Action Plan for the use of funds.

The Agency participates in the preparation of the Consolidated Plan and applies for funding annually to OCD. OCD grants CDBG funds to members of the Consortium via a Subrecipient Agreement. OCD, as the Grantee, is responsible for HUD compliance for the grants. The Agency as subrecipient complies with program requirements as per the OCD’s requirements.

OCD, as the Grantee is responsible for HUD compliance for the grants.

- Preparing a Five Year Consolidated Plan, Annual Action Plan, Amendments to the Action Plan.
- The preparation and implementation of the Citizen Participation Plan.
- Determinations of Activities Allowed or Unallowed.
- Determinations of Costs/Cost Principles.
- Eligibility determinations.
- Period of performance.
- Program income reporting to HUD.
- Environmental Reviews – Request for Release of Funds (RROF) and environmental activities.
- Financial reporting to HUD including IDIS
- SPEARS Reporting to HUD for Section 3 Summary Report.
- Compliance and Reporting to HUD on Wage Rate Determinations.
- Compliance with Maximum Per-Unit Subsidy and Underwriting Requirements for the HOME Program.

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- Both pre and Post-closing compliance with HOME Program during the affordability period, including Housing Quality Standards and owner verification.

The Agency must submit an application to OCD in a format designed by OCD for which includes separate sections for each program line. The application is due April 1 for the next program year. Program year funds from September 1 through August 31.

The Agency holds a public meeting according to the County's Public Participation Plan. The Agency Board approves the application, which is submitted to OCD. OCD reviews the application for consistency with its Consolidated Plan.

OCD will issue a letter to the Agency, identifying its approved budget lines.

OCD prepares an annual Subrecipient contract sent to the Agency for Board Member approval and the signature of the Executive Director. The Agency then forwards it to the Town Supervisor for signature. The Agency sends the signed contract to OCD. The County must put the contract through its system to assign it a contract identification number. OCD must also inform the Agency when a project-specific environmental review is completed.