



VILLAGE OF STEWART MANOR, NEW YORK

Antifraud, Antitheft and Reporting Policy Statement

1. Policy.

A. The Village seeks to reduce, to the extent practical, fraud, abuse, theft, and questionable accounting or auditing problems that can adversely impact the finances of the Village.

B. In order to reduce the possibility of any such adverse impacts, the Village has identified areas where the greatest potential for any fraud may exist and has adopted the following guidelines with regard to mitigating any such identified risk.

C. In addition, the Village has adopted a policy with regard to the reporting of any alleged concerns about any such practices.

2. Areas of Greatest Risk for Fraud and the Procedures Adopted to Mitigate Such Risk:

A. Parking Meter Coin Collection:

i) The keys for the meters and the key for the meter collection container are kept in the Village Hall safe.

ii) The locked meter collection container, when containing funds, is kept in the walk in safe in the Village Hall.

iii) Once a week, a DPW employee collects the meter revenue by obtaining both the meter key and the locked collection container from the Village Clerk-Treasurer's office.

iv) The collection system is such that the DPW employee avoids any direct contact with meter revenue. The meter is unlocked and the sealed cylinder is applied to the meter, turned and the meter revenue is collected into the cylinder. The cylinder self seals as it is removed from the meter. The cylinder is then attached to the locked meter collection container. When turned, the funds drop directly into the locked container.

v) The filled meter collection container is brought back to the Village Hall and is secured in the walk in safe. The meter key is returned and is locked in the Village Hall safe.

vi) Once a week, in the presence of other Village employees, in the Village office, the meter collection container is unlocked and the funds are counted using the coin counting machine.

vii) The meter revenue is bagged appropriately for the bank. A slip is filled out to reflect the breakdown of the revenue according to the coin counter machine. The collection container is again locked, the keys placed in the safe, the meter revenue placed in the walk in safe and the slip turned over to the Clerk-Treasurer so that a deposit slip can be made and the revenue reflected in the Village accounts.

viii) Once a week, a DPW employee brings the bagged meter revenue and completed deposit slip to the bank for deposit. The bank receipt is then turned over the Village Clerk-Treasurer.

B. Opening Bank Accounts:

i) The Clerk-Treasurer is responsible for initiating the opening of a bank account by contacting one of the banks approved in the Village's Comprehensive Fiscal Policy.

ii) The bank will forward all paperwork for the account to the Clerk-Treasurer including the signature cards and the banking resolution that the bank requires.

iii) The Clerk-Treasurer presents these materials to the Board at a Board meeting where the banking resolution is passed and the signature cards are signed by the individuals authorized by the Village's Comprehensive Fiscal Policy.

C. Bank Reconciliations:

i) The Deputy Clerk-Treasurer is responsible for the monthly reconciling of the bank accounts.

ii) The Clerk-Treasurer will review and initial all bank statements once reconciled.

iii) The Clerk-Treasurer will make the bank reconciliations and statements available to the member of the Board of Trustees at any time by request, and will make them automatically periodically available for review by any member of the Board.

D. Pool Facility Collections:

i) There are two locations for collections of funds at the pool: the front gate and the snack bar. The front gate handles all guest fees, and the Stewart Manor Country Club concession food revenue as well as any sales of

miscellaneous items. The snack bar register is responsible for the collection of all snack bar revenue only.

ii) Each register contains \$50 in start up, petty cash. The employee assigned to the location counts all cash at the beginning of the shift to insure the drawer contains exactly \$50. Any difference from that sum must be immediately reported to a pool supervisor and noted on the daily report.

iii) Before a pool employee leaves their shift, they close out the register and print a report of the shift's activities. They count the entire drawer, leaving \$50 in the drawer and put the remaining, counted amount into an envelope which they hand to the pool supervisor along with the shift close out report. If the cash differs from the report, that must be noted on the report by the employee. All close outs are initialed by a supervisor.

iv) The supervisor secures the envelopes in a locked location at the pool. The next business day, the envelopes are turned into the Village Hall by 10am.

v) The Clerk-Treasurer or Deputy Clerk-Treasurer confirms all amounts in the envelopes, matching them to the shift close out report and prepares the bank deposit. The inventory as noted on the shift close out reports is entered into a spreadsheet daily along with the actual revenue and any discrepancy.

vi) The receipts for all snack bar purchases are turned into the Village Hall by the next business day and the inventory of those items is entered into a spreadsheet by either the Clerk-Treasurer or the Deputy Clerk-Treasurer.

vii) The spreadsheet will produce an "on the spot inventory" of snack bar items which can be compared to the actual inventory at the pool.

viii) The pool staff, at the direction of the supervisors, will perform an actual inventory of goods from time to time during the pool season. The inventory sheet is turned into the Clerk-Treasurer or Deputy Clerk-Treasurer at the Village Hall and compared with the spreadsheet to spot any significant discrepancies.

vix) All guests entering the facility are issued a sequentially numbered bracelet which must be worn while they are on the pool grounds. The numbers are entered into the computer at the time the guests are registered and also the total of these bracelet numbers is entered in manual daily log by the pool supervisor.

E. Tax Receipts

i) After the final tax roll is prepared, tax bills are printed in duplicate. One copy is mailed to the taxpayer and the second is kept in the Village Hall.

ii) Upon receipt of a tax payment, the Village copy of the bill is pulled and the payment is entered both in the computer and on the original copy. The copy is

then filed with the other "paid" bills. Therefore, the tax bills in the original file represent all the unpaid bills. The computer generates sequentially numbered reference numbers for each payment.

iii) At the end of the day, a report of all taxes paid for the date is printed and the checks and cash are matched to the report with a calculator tape which is initialed. The report and the payments are put in the locked Village Hall safe.

iv) Every business day during tax collection, the tax receipts report from the previous day and the money are once again verified and a deposit slip is created and the payments entered in the accounting system.

v) The deposit is brought to the bank and the bank receipt given to the Clerk-Treasurer.

vi) After the last day to collect taxes without penalty, a report of all outstanding taxes is printed and matched to the unpaid bills in the file. A letter is sent to each taxpayer whose tax is still outstanding to inform them of the amount due and the penalty.

vii) Prior to the end of the fiscal year, the Clerk-Treasurer will do a final reconciliation of all tax receipts to the outstanding taxes report and the tax liens issued.

F. Payroll

i) All employees must sign in and out on time sheets provided which are located in the Village Hall. If an employee takes any paid time off, that type of paid time is immediately noted on the time sheets for the day in question. The hours on the time sheets are tallied by the Deputy Clerk-Treasurer and coded and then are signed by both the employee and the Clerk-Treasurer. All pool employees must punch a time card upon the beginning and ending of their shift. A pool supervisor will tally the hours on all of the time cards and turn them into the Village Hall by no later than 10am the following Monday. The Deputy Clerk-Treasurer adds each time card to verify the math of the pool supervisor and if a discrepancy is found, staples a calculator tape to the card. Each card is then initialed that it was checked. A tape is run with a grand total of all of the hours to be paid for the week.

ii) The Deputy Clerk-Treasurer enters the data into the Payroll system and generates a "payroll prior to posting report". The total of the hours at the end of the report is matched to the tape which was run from the time sheets and cards. The report and the time sheets are turned over to the Clerk-Treasurer to approve before the checks are printed.

iii) The Deputy Clerk-Treasurer prints the payroll checks, gives them to the Clerk-Treasurer to sign and then puts them in sealed envelopes which are kept in the safe until payday (Wednesday).

iv) The Deputy Clerk-Treasurer then posts the payroll and completes all associated payables such as for withholding taxes, deferred comp etc. and then gives the vouchers and the checks to the Clerk-Treasurer to approve for payment.

v) At the end of the month, the Clerk-Treasurer enters all paid time off directly from the time sheets/cards to a main log. The log is then compared to the computer records of the Payroll system for each employee and any discrepancies are resolved.

vi) Once a month, at the Board meeting, the amounts of the payroll are presented to the Board of Trustees for their approval as pre-pays. The actual payroll detail is available for inspection by any of the Board members at any time.

vii) At the end of the calendar year, reconciliation is done jointly by the Deputy Clerk-Treasurer and the Clerk-Treasurer, using several different reports and reconciliations prior to the printing and mailing of the W-2s.

G. Cash Receipts:

i) Any time a cash payment is made at the Village Hall, a cash receipt is written (which includes the name of the person paying and the purpose of the payment) and signed by the employee taking the cash. A copy of the receipt is given to the customer and the cash is placed in the cash receipt envelope in the safe.

ii) The next business day, when the Clerk-Treasurer prepares the daily deposit, the cash receipts envelope is removed from the safe and the cash inside is reconciled with the cash receipts book. After the deposit is entered into the accounting system, the transaction number and the transaction date are noted on each receipt in the receipt book.

H. Permits/Licenses:

i) All permits/licenses issued by the Village are sequentially numbered and either kept in a bound book or are entered in a log. The logs are periodically checked by the Clerk-Treasurer to insure that no permit numbers are missing or are out of sequence.

I. Pool Membership Payments:

i) All applications for pool membership must consist of an application form and payment (and other supporting documentation for first time pool members if required).

ii) The pool applications are entered into the separate pool computer using the Twin oaks software. The payments for these memberships are also

entered at this time. The application is noted as paid with the payment information and the payment is separated from the application.

iii) At the end of the day, a report is printed from the pool computer which shows all payments entered for the day. A calculator tape is generated from the actual payments and reconciled to the report.

iv) The posting report and the payments are placed in the Village Hall safe.

v) The Clerk-Treasurer reviews the report and creates a deposit for the bank. A copy of all of the checks is made and kept with a copy of the report and the deposit.

vi) Once the memberships are entered, a report of memberships is printed from the pool computer and compared with the membership applications to ensure accuracy. Any discrepancies are resolved.

vii) Each pool member is issued a pool pass which must be swiped upon entry to the pool. The computer will show the person's photo which is verified by the front gate personnel.

J. Expense Payments:

i) Every payment which is made from Village accounts generates a claim voucher.

ii) Except in the case of prepayments and payroll (see the Comprehensive Fiscal Policy), all claim vouchers are submitted prior to payment to the Board of Trustees for approval. An abstract is prepared which details all of the vouchers to be paid. The Board passes a resolution at each Board meeting authorizing payment of all claims. In addition, each Board member reviews not only the abstract, but the individual claim vouchers with the associated paperwork and signs the front of each voucher to further acknowledge approval and authorize payment. The check for each voucher is also presented at this time and is signed by two of the three authorized signers on the Village's accounts.

iii) In the case of prepayments, the Board also signs off on each and every voucher after review as well as authorizing these payments in the form of a Board resolution.

K. Analytics:

i) Every month, the Clerk-Treasurer, prior to the Board meeting, provides to each Trustee and the Mayor ("Board") a balance sheet and income statement for each fund through the last day of the month prior to the meeting. All of the figures are reviewed by the Clerk-Treasurer and the Board for three purposes:

a. to determine if any budget transfers need to be made in any of the expense accounts which look to be overdrawn.

b. to compare last year's "year to date" figure on the income statement with the current "year to date" figure to look for and analyze any large discrepancies in both expenses and revenues.

c. to keep a constant eye on the overall performance of the Village's budget.

ii) Every month, the Clerk-Treasurer and the Board of Trustees is also given a copy of the financial statements through the last day of the month prior to the meeting. This acts as another review of the above items.

iii) Every year, during the months of February and March, during the preparation of the budget, all year to date figures are used for analytical purposes in creating the new budget by both the Board of Trustees and the Village Clerk-Treasurer. All budget lines for the proposed budget are individually analyzed and prepared based not only on past trends, and future predictions but on current and anticipated need.

3. Reporting concerns about fraud, theft, or questionable practices.

A. In the event that anyone communicates to any employee of the Village, directly or indirectly, an alleged fraud, abuse, or questionable accounting or auditing problems, theft of Village property, or improper solicitation or receipt of gratuities by or on behalf of Village employees, in cash, goods, or services, the person receiving that communication shall:

i) Request, but not require, the name of the communicant.

ii) Request as much information as possible about the allegations and the basis for the allegations.

iii) Immediately, but in no event later than the next business day, report the allegations to the Village Clerk-Treasurer and the Mayor.

iv) In the event that the Village Clerk-Treasurer and/or the Mayor are the targets of the complaint, such report shall be given to the one who is not the target of the complaint and to either the Deputy Mayor or the General Counsel to the Village.

4. Any person receiving such a report shall immediately investigate or cause such report to be investigated, including, if appropriate, reporting such activity to the Nassau County Police Department and the District Attorney's office to assist in the investigation.

5. The Village shall publicize this policy to encourage valid reports to the Village.

6. The Village shall educate its employees about the Village's Ethics Policy as listed as Chapter 9 of the Village Code and listed as an addendum to this policy.

ADDENDUM

Chapter 9, CODE OF ETHICS

[HISTORY: Adopted by the Board of Trustees of the Village of Stewart Manor 6-2-1998 by L.L. No. 6-1998. Amendments noted where applicable.]

GENERAL REFERENCES

Defense and indemnification -- See Ch. 5.

Officers and employees -- See Ch. 20.

§ 9-1. Purpose.

Pursuant to the provisions of § 806 of the General Municipal Law, the Board of Trustees of the Village of Stewart Manor, New York hereby adopt a Code of Ethics setting forth for the guidance of its public officers and employees the standards of conduct reasonably expected of them so that public confidence is to be maintained in our unit of local government. The rules of ethical conduct of this chapter, as adopted, shall not conflict with, but shall be in addition to any prohibition of article eighteen of the General Municipal Law or any other general or special law relating to ethical conduct and interest in contracts of municipal officers and employees.

§ 9-2. Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

MUNICIPAL OFFICER OR EMPLOYEE -- An officer or employee of the Village of Stewart Manor, whether paid or unpaid, including members of any administrative board, commission or other agency thereof. No person shall be deemed to be a "municipal officer or employee" solely by reason of being a volunteer fireman or civil defense volunteer, except a fire chief or assistant fire chief.

INTEREST -- A direct or indirect pecuniary or material benefit accruing to a municipal officer or employee as the result of a contract with the municipality which such officer or employee serves. For the purpose of this chapter, a municipal officer or employee shall be deemed to have an interest in the contract of:

A. His spouse, minor children and dependents, except a contract of employment with the municipality which such officer or employee serves;

B. A firm, partnership or association of which such officer or employee is a member or employee;

C. A corporation of which such officer or employee is an officer, director or employee; and

D. A corporation any stock of which is owned or controlled directly or indirectly by such officer or employee.

§ 9-3. Standards of conduct.

Every officer or employee of the Village of Stewart Manor shall be subject to and abide by the following standards of conduct:

A. Gifts. He shall not, directly or indirectly, solicit or accept any gift having a value of \$75 or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him, or could reasonably be expected to influence him in the performance of his official duties or was intended as a reward for any official action on his part.

B. Confidential information. He shall not disclose confidential information acquired by him in the course of his official duties or use such information to further his personal interest.

C. Representation before one's own agency. He shall not receive or enter into any agreement express or implied, for compensation for services to be rendered in relation to any matter before any municipal agency of which he is an officer, member or employee or of any municipal agency over which he has jurisdiction or to which he has the power to appoint any member, officer or employee.

D. Representation before any agency for a contingent fee. He shall not receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any agency of his municipality, whereby his compensation is to be dependent or contingent upon any action by such agency with respect to such matter, provided that this subsection shall not prohibit the fixing at any time of fees based upon the reasonable value of the services rendered.

E. Disclosure of interest in legislation. To the extent that he knows thereof, a member of the Board of Trustees and any officer or employee of the Village of Stewart Manor, whether paid or unpaid, who participates in the discussion or gives official opinion to the Board of Trustees on any legislation before the Board of Trustees shall publicly disclose on the official record the nature and extent of any direct or indirect financial or other private interest he has in such legislation.

F. Investments in conflict with official duties. He shall not invest or hold any investment, directly or indirectly, in any financial, business, commercial or other private transaction which creates a conflict with his official duties.

G. Private employment. He shall not engage in, solicit, negotiate for or promise to accept private employment or render services for private interests when such employment or service creates a conflict with or impairs the proper discharge of his official duties.

H. Future employment. He shall not, after the termination of service or employment with such municipality, appear before any board or agency of the Village of Stewart Manor in relation to any case, proceeding or application in which he personally participated during the period of his service or employment or which was under his active consideration.

§ 9-4. Filing of claims.

Nothing herein shall be deemed to bar or prevent the timely filing by a present or former municipal officer or employee of any claim, account, demand or suit against the Village of Stewart Manor, or any agency thereof on behalf of himself or any member of his family arising out of any personal injury or property damage or for any lawful benefit authorized or permitted by law.

§ 9-5. Distribution of Code of Ethics.

The Mayor of the Village of Stewart Manor shall cause a copy of this Code of Ethics to be distributed to every officer and employee of the Village within 20 days after the effective date of this chapter. Each officer and employee elected or appointed thereafter shall be furnished a copy before entering upon the duties of his office or employment. Failure to distribute any such copy or failure of any officer or employee to receive such copy shall have no effect on the duty of compliance with such code or the enforcement of provisions thereof.

§ 9-6. Penalties for offenses.

In addition to any penalty contained in any other provision of law, any person who shall knowingly and intentionally violate any of the provisions of this code may be fined, suspended or removed from office or employment, as the case may be, in the manner provided by law.