MIDDLETOWN PORT AUTHORITY
INTERNAL FINANCIAL CONTROLS POLICY

Adopted: February 19, 2021

I. PURPOSE

This Internal Financial Controls Policy (the "Policy") sets the guidelines and requirements that officers, employees, and members of the Board of Directors (the "Board") of the Middletown Port Authority (the "Port Authority") must observe in carrying out various financial transactions and bookkeeping functions.

II. INVOICES

A. The Executive Director shall receive all Port Authority invoices and (1) confirm the legitimacy of the invoice; (2) confirm that supporting documentation supports the invoice amount; and (3) verify that the invoice is within the scope of the underlying contract.

B. Only invoices shall be eligible for reimbursement (statements shall not be eligible).

C. If any invoice has all appropriate documentation, has been confirmed as legitimate, and falls within the scope of the underlying contract, the Executive Director shall forward the invoice to the Treasurer for approval.

D. Upon the Treasurer's approval of the invoice, the Executive Director shall process a check to the vendor with "For Deposit Only" written on the check.

E. Each check shall be signed by the Executive Director, the Chairperson of the Board, the Vice-Chairperson of the Board, or the Treasurer. No check may be signed by the person to whom the check is written.

F. Checks shall be copied and the invoices shall be date stamped, paid, and filed.

G. Original checks shall be mailed to the vendor by the Executive Director.

H. The Port Authority checkbook shall be secured in a locked safe, the keys to which shall be held by the Executive Director.

III. BANK STATEMENTS—OPERATING

A. Each month, all bank statements shall be sent by the Port Authority's depository bank to the Treasurer for review. The Treasurer shall review the bank statements and indicate such review by placing his or her initials and the date on the statements.

B. After review by the Treasurer, the Chairperson then shall reconcile the accounts. Upon completion of the reconciliation of the accounts, the Chairperson shall submit the reconciled monthly statements to the Executive Director for review and approval, which review and approval the Executive Director shall indicate by placing his or her initials and the date on the statements. The reconciled account statements then shall be returned to the Treasurer for review and approval.

C. The monthly bank statements shall be returned to the Port Authority for filing, and any voided checks shall be kept with the checkbook.

IV. BANK STATEMENTS—INVESTMENTS

A. Each month, all investment account statements shall be sent to the Executive Director or the Executive Director's designee for review. The Executive Director or the Executive Director's designee shall review the bank statements and indicate such review by placing his or her initials and the date on the statements.

B. The Treasurer or the Treasurer's designee then shall review, record, and reconcile interest earnings for each account in the Port Authority accounting software. The Treasurer or the Treasurer's designee shall then initial and date the monthly statements.

C. Investment account statements then shall be returned to the Executive Director or the Executive Director's designee for review and approval.

D. Monthly investment account statements shall be returned to the Port Authority and filed.

V. DEPOSITS

A. All funds received by the Port Authority shall be deposited with a financial institution within forty-right (48) hours of receipt.

B. All funds received will be kept in a locked safe until such time as they are deposited.

VI. AUTOMATIC MONTHLY WITHDRAWALS

Each month, the Port Authority will allow for an automatic withdrawal of funds from its operating account to pay for on-going expenses associated with operations as approved by the Board through its budget process. No monthly approval will be needed as long as the expense in question has been approved by the Board.