

Resolution No. 2026-05-18-008

A RESOLUTION ADOPTING AN INTERNAL CONTROLS POLICY FOR THE VILLAGE OF WAYNE LAKES, OHIO.

WHEREAS, strong internal controls are necessary to protect Village assets, ensure accurate financial reporting, and comply with state and federal requirements;

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Wayne Lakes, Darke County, Ohio:

Section 1. Adoption of Policy

The Internal Controls Policy attached hereto is hereby adopted.

Section 2. Administration

The Fiscal Officer and Mayor shall ensure that internal control procedures are followed and updated as needed.

Section 3. Effective Date

This Resolution is hereby deemed to be an emergency measure, necessary for the health, safety, and welfare of the citizens of the Village, and which Resolution shall take effect and be in force at the earliest period allowed by law.

Passed by the Village of Wayne Lakes, Ohio, this 18 day of May 2026.


President of Council


JOHNA WATHEN, FISCAL OFFICER


LINDA CLARK, MAYOR

EXHIBIT A

Internal Controls Policy Village of Wayne Lakes, Ohio (*Attachment to Resolution 2026-05-18-008*)

1. Purpose

The purpose of this Internal Controls Policy is to establish a framework of procedures and safeguards designed to protect the assets of the Village of Wayne Lakes, ensure accurate and reliable financial reporting, promote operational efficiency, and ensure compliance with applicable federal, state, and local laws and regulations, including **2 CFR Part 200** for federal funds.

2. Applicability

This policy applies to:

- All Village officials, employees, and volunteers involved in financial or operational activities
- All Village departments and funds
- All financial transactions, including those involving federal, state, or local funds

3. Objectives of Internal Controls

The Village's internal control system is designed to achieve the following objectives:

A. Safeguarding of Assets

Protect Village property, cash, equipment, and records from loss, theft, misuse, or damage.

B. Accuracy and Reliability of Records

Ensure that all financial and operational information is complete, accurate, and timely.

C. Compliance

Ensure adherence to:

- Federal regulations (including Uniform Guidance)
- Ohio Revised Code
- Auditor of State requirements
- Village policies and procedures

D. Operational Efficiency

Promote effective and efficient use of Village resources.

4. Key Components of Internal Controls

A. Segregation of Duties

To the extent possible given staffing levels:

- Authorization, custody of assets, and recordkeeping responsibilities shall be separated.
- No single individual should control all phases of a financial transaction.
- When staffing limitations exist, compensating controls (e.g., supervisory review) must be implemented.

B. Authorization and Approval

- All expenditures must be approved by the Fiscal Officer and/or Mayor as required.
- Purchase orders must be issued prior to incurring obligations.
- Grant-funded expenditures must be reviewed for allowability.

C. Recordkeeping

- All transactions must be supported by invoices, receipts, contracts, or other documentation.
- Records must be maintained in accordance with retention schedules and federal requirements.

D. Physical Controls

- Cash and check receipts must be secured in locked locations.
- Access to financial systems must be password-protected and limited to authorized personnel.
- Village equipment and assets must be inventoried annually.

E. Monitoring and Review

- Monthly bank reconciliations must be completed by the Fiscal Officer and reviewed by the Mayor or Finance Committee.
- Financial reports must be presented to Council monthly.
- Audit findings must be addressed promptly with corrective action plans.

5. Cash Handling Controls

- All receipts must be recorded immediately upon receipt.
- Deposits must be made within **24 hours** or the next business day.
- Cash drawers, if used, must be balanced daily.
- No cash disbursements are permitted; payments must be made by check or approved electronic method.

6. Payroll Controls

- Payroll must be supported by approved timesheets or time and effort documentation (for federal funds).
- Changes to pay rates or employment status must be authorized by Council.
- Payroll records must be reviewed for accuracy before processing.

7. Procurement and Expenditure Controls

- All purchases must follow the Village's Purchasing and Bidding Policy.
- Federally funded purchases must also follow the Procurement – Federal Funds Policy.
- Contracts must be approved by Council when required.
- Expenditures must be reviewed for budget availability and compliance.

8. Grant Management Controls

For all grants, the Village must:

- Track revenues and expenditures in separate funds or cost centers
- Ensure costs are allowable, reasonable, and allocable
- Maintain required documentation
- Submit timely financial and performance reports
- Follow federal internal control requirements under 2 CFR 200.303

9. Information Technology Controls

- Access to financial software must be restricted to authorized users.
- Passwords must be kept confidential and changed periodically.
- Data backups must be performed regularly and stored securely.
- Systems must be protected from unauthorized access or cyber threats.

10. Fraud Prevention and Reporting

- Employees must report suspected fraud, waste, or abuse to the Mayor, Fiscal Officer, or Council President.
- Retaliation against individuals who report concerns in good faith is prohibited.
- Confirmed fraud or misuse of funds may result in disciplinary action, termination, and/or legal action.

11. Training

The Village will provide periodic training to employees involved in financial processes to ensure understanding of internal controls and compliance requirements.

12. Responsibilities

- **Village Council:** Oversight of financial operations and adoption of policies.
- **Mayor:** Supervisory oversight and enforcement of internal controls.

- **Fiscal Officer:** Day-to-day implementation, monitoring, and documentation of internal controls.
- **Employees:** Compliance with all internal control procedures.

13. Effective Date

This policy becomes effective upon adoption by the Village Council and remains in effect until amended or rescinded.