

TOWN OF BERNE

TOWN BOARD RESOLUTION

Resolution No. _____ of 2026

A RESOLUTION ADOPTING THE TOWN OF BERNE AUDIT OF CLAIMS POLICY (03-2026)

WHEREAS, the Town Board of the Town of Berne serves as the statutory auditor of all claims against the Town pursuant to New York Town Law §§118 and 119; and

WHEREAS, the Town Board is responsible for ensuring that all claims are properly itemized, supported, audited, allowed or disallowed, and paid in accordance with applicable law and sound fiscal practices; and

WHEREAS, the Town Board has reviewed the proposed **Town of Berne Audit of Claims Policy (03-2026)**, which establishes procedures for the presentation, audit, allowance, disallowance, and payment of claims, including internal controls, documentation standards, emergency provisions, and limited authorization for payment prior to audit (“short warrant”) as permitted by law; and

WHEREAS, adoption of this policy will strengthen internal controls, promote transparency and accountability, and ensure consistent compliance with New York State law and guidance from the Office of the State Comptroller;

NOW, THEREFORE, BE IT RESOLVED, that the Town Board of the Town of Berne hereby **adopts the Town of Berne Audit of Claims Policy (03-2026)**, attached hereto and made a part of this resolution; and

BE IT FURTHER RESOLVED, that this policy shall take effect immediately upon adoption and shall apply to all Town departments, officers, employees, and officials involved in the submission, audit, approval, and payment of claims; and

BE IT FURTHER RESOLVED, that the Town Clerk is hereby directed to maintain the adopted policy as an official Town record and make it available for public inspection; and

BE IT FURTHER RESOLVED, that the Town Board shall review this policy annually and amend it as necessary to remain in compliance with New York State law and best municipal practices.

Adopted this _____ day of _____, 2026

AYES NOES ABSENT

TOWN OF BERNE TOWN BOARD

Town Supervisor

Councilmember

Councilmember

Councilmember

Councilmember

ATTEST:

Town Clerk

Memo to the Town Board

To: Town Board, Town of Berne

From: J. Giebelhaus

Date: 1/1/2026

Subject: Adoption of Town of Berne Audit of Claims Policy (03-2026)

Dear Members of the Town Board,

I am pleased to present the **Town of Berne Audit of Claims Policy (03-2026)** for your review and adoption. This policy formalizes procedures for the **audit, allowance, and payment of all claims against the Town**, in compliance with **New York State Town Law §§118 and 119**, and is designed to enhance transparency, efficiency, and fiscal accountability in all Town expenditures.

Key features of the policy include:

- **Clear definitions and responsibilities**, establishing the Town Board as the official auditor of all Town claims.
- Procedures for **presentation of claims**, including submission deadlines, use of itemized vouchers, and certification by the responsible officer.
- Detailed **audit procedures**, including verification of supporting documentation, compliance with contracts and policies, and procedures for disallowance.
- **Issuance of warrants and payment protocols**, including handling of insufficient funds and timely payments.
- **Internal controls and safeguards**, including segregation of duties, review of large or unusual claims, periodic reconciliations, and audit trails.
- **Reporting and transparency**, including public presentation of claim lists, FOIL access to records, and annual reporting of claims statistics.
- **Special provisions**, including emergency payments, interfund claims, electronic payments, and modification by local law or resolution.
- **Enforcement measures**, with sanctions for non-compliance or submission of false vouchers.

Attached are supporting templates for **Warrants for Payment of Claims** and resolutions for **timely payroll payments and payroll approval** to ensure compliance with statutory requirements while maintaining operational efficiency.

I respectfully request the Board's **formal adoption of this policy**, effective immediately upon passage, with the understanding that it will be reviewed annually to ensure ongoing compliance with applicable laws and best practices.

Town of Berne

Audit of Claims Policy 03-2026

Adopted by the Town Board on [Date]: _____

I. Purpose

The purpose of this policy is to ensure that the Town of Berne conducts audits of all claims in compliance with New York State Town Law §118 and 119, and in a manner that fosters transparency, efficiency, and the prudent use of public funds. In addition, the purpose of this policy is to employ industry standard procurement and accounting functions (i.e., encumbrances prior to purchase) to ensure compliance with budget appropriations.

The Town Board acts as the Auditor for the expenditure of all town funds and shall be responsible for assuring that all are made in accordance with this policy.

Every procurement official with the requisite purchasing authority (hereinafter "purchaser") shall estimate the cumulative amount of the items of supply or equipment needed in a given fiscal year. That estimate shall include the canvass of other Town departments and past history to determine the likely yearly value of the commodity to be acquired. The information gathered and conclusions reached shall be documented and kept with the file or other documentation supporting the purchase activity.

II. Purpose & Authority

This policy implements the requirements of Town Law § 118 & 119 ("Audit of claims and issuance of warrants") and related statutes, and establishes procedures for presentation, audit, allowance or disallowance, and payment of claims against the Town. The scope of this authority includes all claims against the Town, including, but not limited to, expenditures for vendors and personnel expenses.

Definitions

For purposes of this policy:

- **Claim / Voucher** — A documented request for payment to the Town, including an itemized voucher and supporting documentation, as required by Town Law § 118.

- **Officer whose action gave rise to the claim** — The Town officer, department head, or employee whose actions or responsibilities relate to the goods, services, or works for which the claim is made.
- **Auditing** — The process of examining a claim for justness, accuracy, appropriateness, sufficiency of supporting documentation, and compliance with law and Town policy, before allowance or disallowance.

III. Presentation of Claims / Vouchers

a. **Itemized voucher form**

All claims must be submitted on an itemized voucher form (or in electronic form approved by the Town), in the format prescribed by the Town Board. The voucher shall set forth sufficient detail to allow the Town Board to audit the claim.

b. **Certification / Approval by responsible officer**

Each voucher must be accompanied by a statement by the officer whose action gave rise to the claim, certifying that the services were actually rendered or the supplies or equipment actually delivered, and that the claim is just and proper. This statement may be based on review of documentary evidence.

c. **Additional certifications**

The Town Board may require that the claimant also certify or verify the voucher. (See Town Law § 118.)

d. **Submission deadlines**

All claims to be considered at a particular Town Board meeting must be submitted to the Town Clerk (or designated office) no later than **2 (two)** days before that meeting (or such other time as established by resolution).

IV. Audit of Claims

a. **Audit responsibility**

- The Town Board shall audit claims. (Town Law § 118 & 119)
- **Scope of audit:** The audit shall examine the justness and accuracy of each claim, including checking the supporting documentation, verifying that the services or goods were provided, ensuring compliance with statutes, Town contracts, procurement and internal control policies, and determining whether the expenditure is a proper Town charge.

- **Disallowance:** If any part or all of a claim is disallowed, the auditor (Town Board) shall report the disallowance, and direct the officer responsible to reimburse any disallowed portion to the appropriate fund or petty cash account. If reimbursement has not been made before the next payment, the disallowed amount may be withheld from payment, and if needed from subsequent payments, until paid. (Under Town Law § 64 and related provisions).
- **Record of audit:** The Town shall maintain logs or records (electronic or paper) showing each claim presented, the date, its disposition (allowed or disallowed, in whole or in part), the amount allowed, and dates of payment.

V. Issuance of Warrants / Payment

a. Town Board direction to pay

After the audit, the Town Board shall direct the Supervisor (or other authorized officer) by warrant what amounts are to be paid on the claims allowed. (Town Law § 119)

b. Supervisor to pay: Upon receipt of the warrant, the Supervisor shall draw checks or make payments in the amounts designated and deliver them to the claimant's, provided funds are available.

c. Insufficient funds: If funds are insufficient to pay all allowed claims, the Supervisor shall pay such claims in whole or in part as the Town Board directs, and unpaid amounts shall be carried forward to be paid when funds become available.

d. Timing: Payments generally shall be made within **30** days of the warrant (or in the next feasible payment cycle), unless another schedule is adopted by resolution.

VI. Internal Controls & Safeguards

a. Segregation of duties: Where feasible, responsibilities for preparing, certifying, auditing, and issuing payments should be separated among different individuals to reduce risk of error or fraud.

b. Supporting documentation: Each claim must be supported by invoices, time records, purchase orders, contracts, delivery receipts, or other documentation sufficient to substantiate the claim.

c. **Review of large or unusual claims:** Claims exceeding a threshold (e.g. \$____) or with unusual terms or vendors must receive additional review (e.g. by Town Board, Comptroller, or independent reviewer).

d. **Audit trails:** All modifications, cancellations, or adjustments to claims or vouchers must be documented, with reason, date, and approver signatures or electronic records.

e. **Periodic reconciliation**

The Comptroller or auditor shall periodically (e.g. quarterly) reconcile claims paid, warrant records, bank statements, and general ledger to ensure consistency and detect anomalies.

f. **Encumbrance vs Short Warrant:** Whenever possible, funds will be encumbered via a purchase order. Should circumstances warrant, the Town Supervisor may authorize payment of warrant without issuance of a purchase order.

VII. Reporting & Transparency

- a. **Claim list at meetings:** At each regular Town Board meeting, a sheet or list of all claims audited and recommended for payment, grouped by fund (e.g. General, Highway, Water), along with summary totals, shall be presented to the Board for final direction.
- b. **Access to records:** Vouchers and supporting documentation for allowed claims are public records subject to disclosure under the Freedom of Information Law (FOIL), unless exempt.
- c. **Annual report:** As part of the Town's annual report, summary statistics (e.g. total claims audited, disallowed amounts, largest claims) shall be included.

VIII. Exceptions and Special Provisions

a. **Emergency claims:** In emergency situations where immediate payment is required (e.g. imminent danger, urgent repairs), the Town Supervisor (or designated official) may authorize payment in advance of formal audit, subject to later audit and approval by the Board. Any such advance must be documented, reported at the next Board meeting, and audited like other claims.

b. **Interfund claims:** Claims between Town funds (e.g. internal transfers) shall follow similar voucher and audit procedures, unless exempted by law or resolution.

c. **Electronic payments / direct deposit / electronic claims:** If the Town uses electronic claims

submission or electronic payments, additional internal control standards (e.g. authentication, access control, audit logs) shall apply, consistent with this policy.

Short Warrant: The Town Board hereby determines that certain recurring, time-sensitive obligations must be paid prior to formal audit in order to protect the financial interests of the Town, avoid service disruptions, and maintain essential operations. The Town Board affirms that the use of payment prior to audit is intended as a limited administrative tool and not as a substitute for the Board's statutory audit responsibilities. In accordance with New York Town Law §118, the Town Board authorizes the Supervisor to make payment **prior to Board audit** for the following categories of claims:

1. **Utility services**, including but not limited to electricity, heating fuel, natural gas, water, sewer, telephone, internet, and solid waste disposal.
2. **Fuel purchases**, including gasoline, diesel, heating fuel, and other fuels necessary for the continuous operation of Highway Department vehicles, emergency equipment, and Town facilities.
3. **Postage and shipping**, including postage meter refills, USPS charges, and shipping fees required for timely mailing of official Town documents or payments.
4. **Payroll and payroll related expenses**, including but not limited to, salaries and wages, NYS Retirement benefits, NYS deferred Compensation payments, worker's compensation insurance, medical insurance premiums, court-ordered withholdings & reimbursable items detailed in collective bargaining agreements including union dues
5. **Insurance premiums**
6. **Debt service**, including principal and interest payments
7. **Other contractual obligations** where the payment date is fixed by statute or contract and late payment would result in penalty or service disruption, as approved by the Town Board.

All such claims shall be:

- Paid as necessary to avoid late fees, service interruption, or operational hardship.
- Properly itemized and accompanied by acceptable supporting documentation; and
- **Presented to the Town Board at the next regular meeting for audit and approval**, at which time they shall be reviewed in the same manner as all other claims.

No other claims shall be paid prior to audit unless explicitly authorized by law or by resolution of the Town Board.

d. Modification by local law or resolution: If the Town has locally adopted modifications (by Local Law or resolution) that are permitted under Town or General Municipal Law, those modifications will control to the extent they comply with State law.

IX. Enforcement & Sanctions

Any officer or employee who willfully submits a false voucher, misuses funds, or fails to comply with this policy may be subject to disciplinary action, reimbursement of disallowed amounts, and referral to appropriate authorities for further action.

X. Review and Amendment

This policy shall be reviewed by the Town Board at least annually (or upon significant statutory change), and may be amended by resolution (or local law, as required), provided changes do not conflict with State law.

Attachments

Audit of Claims

Town of Berne, NY

Warrant for Payment of Claims (Example)

To: **Town Supervisor, Town of Berne, NY**
From: **Town Board of the Town of Berne, NY**
Date: _____, 2026

WHEREAS, pursuant to the provisions of Town Law §§ 118 and 119, all claims against the Town must be itemized, presented, audited, and allowed before payment; and

WHEREAS, the Town Board has this day audited the claims and payroll abstracts as presented, and has allowed them in whole or in part as set forth below;

NOW, THEREFORE, THIS WARRANT DIRECTS the Supervisor of the Town of Berne, NY to pay from the respective funds the amounts allowed, as follows:

Fund	Voucher Numbers	Description	Amount Allowed
General Fund (A)	# ____ to # ____	Claims audited	\$ _____
Highway Fund (DA/DB)	# ____ to # ____	Claims audited	\$ _____
Water Fund (SW)	# ____ to # ____	Claims audited	\$ _____
Sewer Fund (SS)	# ____ to # ____	Claims audited	\$ _____
Payroll	Abstract # ____	Pay period ending _____	\$ _____
TOTAL			\$ _____

IT IS FURTHER ORDERED that the Supervisor shall issue checks or electronic payments in the amounts specified and deliver them to the claimants and employees entitled thereto.

By Order of the Town Board of the Town of Berne, NY

Dated: _____, 2025

Town Clerk

Attest:

Town Board Member

Town Board Member

Town Board Member

Town Board Member

Town Supervisor (as Presiding Officer)

Resolution No. ____ of 2026

Approval of Payroll

WHEREAS, the Town Board of the Town of Berne, NY has received and reviewed the payroll abstract for the pay period ending _____, 2026, prepared and certified by the Town Bookkeeper/Payroll Clerk; and

WHEREAS, the payroll abstract sets forth in detail the wages, salaries, and other authorized compensation of Town officers and employees, together with all required withholdings and deductions; and

WHEREAS, in accordance with New York Town Law §§ 118 and 119, the Town Board is required to audit and approve all claims against the Town prior to payment, including payroll;

NOW, THEREFORE, BE IT RESOLVED, that the Town Board of the Town of _____ hereby audits and approves the payroll abstract in the total amount of \$ _____ for the pay period ending _____, 2026; and

BE IT FURTHER RESOLVED, that the Town Supervisor is hereby authorized and directed to pay the amounts set forth in said payroll abstract, and to cause the same to be entered into the official minutes of the Town Board.

By Order of the Town Board of the Town of Berne, NY

Dated: _____, 2026

Town Clerk

Attest:

Town Board Member

Town Board Member

Town Board Member

Town Board Member

Town Supervisor (as Presiding Officer)
