

Hamilton County IDA 2011
Internal Control Effectiveness

The Hamilton County Industrial Development Authority maintains financial records internally, while submitting to an independent audit annually. Since most of the IDA's activity is related to the issuing of loans and collection of repayment, policies are in place to insure that the money going out is fully approved by the board of directors, and that loan repayments are current.

Applications containing sensitive financial data are kept confidential as a policy and requirement of the IDA

Two signatures of board members are required on checks to loan recipients following:

- Execution of loan documents
- Review by the board of directors
- Review by legal counsel

Loan recipients more than 10 days in arrears are called by staff to remind them that a payment is due.

Loan recipients more than 30 days overdue with a loan payment are sent an official notice via USPS requiring immediate payment. If a payment has not been made within 45 days, the loan recipient is called to determine if some sort of payment adjustment can put them back on schedule – seasonal businesses may make double payments during the summer when there is cash flow, for example, and no payments during the winter months. If phone calls are not answered, the business address is visited in person so IDA staff and the loan recipient may talk face-to-face.

If there is no communication between the IDA staff and loan recipients in arrears after three months, a notice of potential foreclosure is sent by registered mail. If that elicits no reaction, and visits to the business and phone calls produce no results, then foreclosure may be initiated.

All accounts except two were current at the close of 2011, one is an on-going Chapter 13 bankruptcy, the second, Fresh Look Remodeling, is a potential foreclosure because the principal is not only in arrears but moved out of the county without notice.

The IDA has no paid staff. The staff is comprised of Hamilton County employees who include work for the IDA among other duties. These employees are subject to county regulations and controls.