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November 2025

Joel Gagnon, Town Supervisor
Members of the Town Board
Town of Danby
1830 Danby Road
Ithaca, NY 14850

Report Number: 2022M-127-F

Dear Town Supervisor Gagnon and Members of the Town Board:

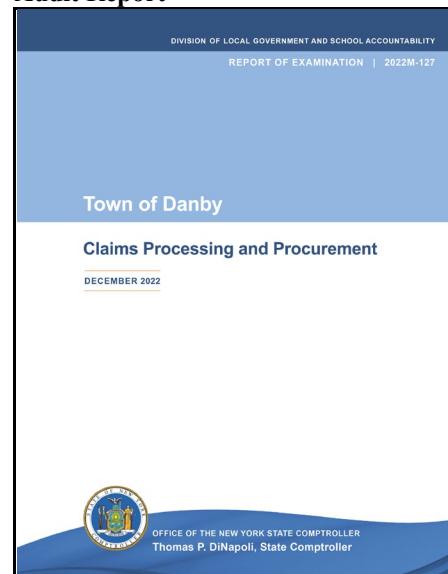
One of the Office of the State Comptroller's (OSC's) primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. OSC also works to develop and promote short-term and long-term strategies to enable and encourage town officials to reduce costs, improve service delivery and to account for and protect their town's assets.

In accordance with these objectives, we conducted an audit of the Town of Danby (Town) to assess whether the Town Board (Board) sought competition when procuring goods and services and audited claims prior to payment. As a result of our audit, we issued a report, dated December 16, 2022, identifying certain conditions and opportunities for Town management's review and consideration (Figure 1). In response to the audit, officials filed a corrective action plan (CAP) with our Office on December 13, 2022. The CAP identified the actions officials planned to take to implement the audit recommendations.

To further our policy of providing assistance to local governments, we revisited the Town between June 4, 2025 and August 15, 2025 to review progress in implementing our recommendations. Our follow-up review was limited to interviews with Town personnel and inspection of certain documents related to the issues identified in our report. Although the Board asserted it and Town officials would take corrective actions, they did not do so. As a result:

- The Board and Town officials failed to implement any of the 14 audit recommendations and were unable to provide reasonable explanations for their lack of action.
- The Board continued to procure goods and services that may not have been made in a cost-effective manner and the Board's ability to effectively monitor the Town's financial operations continued to be diminished.

Figure 1: Town of Danby 2022 OSC Audit Report



<https://www.osc.ny.gov/files/local-government/audits/2022/pdf/danby-town-2022-127.pdf>

Recommendation 1 – Address Health Insurance Payments for the Former Town Supervisor (Supervisor)

The Board should consult with the Town’s attorney to determine how to appropriately address the health insurance payments for the former Supervisor.

Status of Corrective Action: Not Implemented

Observations/Findings: In response to the audit’s finding, the Town’s 2021 CAP stated, “In the upcoming year, the town will work on putting together a policy that outlines all procedures for health insurance buy backs or reimbursements to employees.”¹ However, the Board did not establish a policy or consult with the Town’s attorney to determine how to appropriately address the health insurance payments for the former Supervisor. Although the Board passed a resolution while we were on-site for our follow-up review in July 2025 to update the policy and remove the limit on health insurance, the policy had not been changed as of the end of our follow-up fieldwork in August 2025. Town officials were not able to provide a reason why the policy was not updated.

Recommendation 2 – Approval of Health Insurance Payments or Cost Reimbursements

The Board should only approve health insurance payments or cost reimbursements that comply with Board resolutions.

Status of Corrective Action: Not Implemented

Observations/Findings: As noted in Recommendation 1, the Town’s CAP stated that Town officials “[W]ill work on putting together a policy that outlines all procedures for health insurance buy backs or reimbursements to employees,” however the existing policy was not amended or replaced after our original audit.

The Board approved health insurance cost reimbursements that did not comply with Board resolutions. The Board approved health insurance reimbursements to the current Highway Superintendent totaling \$7,624 during the 2024 fiscal year, although there was no Board-approved policy, contract or resolution authorizing the payments. According to the Supervisor (as a member of the Board), the Board approved the payments based on what it intended the policy to allow, but the policy was never changed. Approving payments without a Town policy, contract or resolution authorizing the payment increases the risk that tax dollars may be spent inappropriately and/or without full transparency to taxpayers and other interested parties.

Recommendation 3 – Perform a Thorough Claims Audit in a Timely Manner

The Board should perform a deliberate and thorough audit of all claims and supporting documentation in a timely manner ensuring that claims are adequate, complete, do not include tax and fees charges, and are for appropriate Town purposes.

Status of Corrective Action: Not Implemented

Observations/Findings: The Town’s CAP stated that Town officials “[W]ill continue to monitor bills and take off the tax charges when we are processing payment.” However, the Board did not perform a deliberate and thorough audit of all claims and supporting documentation in a timely manner. We reviewed 121 claims from January through March in 2024 and 2025 totaling approximately \$2.2 million. Although we

¹ See Appendix A for the Town’s CAP to the OSC audit report.

determined that these claims were for appropriate Town purposes, we identified 12 claims (10 percent) totaling \$99,778 that were not approved prior to payment and seven claims totaling approximately \$22,300 that had taxes or fees paid totaling approximately \$1,800. We also identified deficiencies with credit card purchases further discussed in Recommendation 7.

The Supervisor and two additional Board members told us that they were unsure why the Board approved and subsequently paid the claims with taxes and fees. Also, as discussed in Recommendation 7, the Clerk and bookkeeper stated that the bookkeeper fell behind in processing vouchers for credit card-related claims, which prevented a thorough and timely Board review. When the Board does not thoroughly audit all claims in a timely manner, it has no assurance that tax dollars are spent properly and in the taxpayers' best interest.

Recommendation 4 – Recoup Sales Tax

The Board should ensure the necessary paperwork is filed to recoup all sales tax paid on purchases during the audit period from the New York State (NYS) Department of Taxation and Finance.

Status of Corrective Action: Not Implemented

Observations/Findings: The Town's CAP stated that Town officials "...[W]ill continue to diligently seek refunds from any companies that have charged sales tax inappropriately" and that "...[own staff will continue to mention the tax-exempt status of the town when making purchases." However, the Board did not ensure the necessary paperwork was filed to recoup all sales tax paid on purchases from the NYS Department of Taxation and Finance. Although our original OSC audit specifically recommended recouping sales tax paid on purchases from the NYS Department of Taxation and Finance, the bookkeeper, Supervisor and two Board members told us that they were unaware that they could do so. Although these four officials also told us that they try to go back to the store or vendor immediately to get a refund if they notice that sales tax was paid, we did not identify any instances of this occurring in the Town's records or Board meeting minutes. When Town officials do not recoup sales tax paid, the burden on Town taxpayers to fund operations is unnecessarily increased.

Recommendation 5 – Enforce the Credit Card Policy

The Board should enforce the credit card policy, which details authorized use, the approval process, documentation requirements and receipt verification, and perform an annual credit card compliance audit.

Status of Corrective Action: Not Implemented

Observations/Findings: The Board did not enforce the credit card policy, although the Town's CAP indicated that they intended to do so.

The Town's credit card policy (policy) authorizes the use of seven credit cards in total, which includes three individual cardholders authorized for town hall-related purchases and four cardholders for highway department-related purchases. The policy requires that a master list of credit cards and cardholders be approved during the annual organizational meeting of the Board and be kept on file with both the Town Clerk (Clerk) and bookkeeper. Additionally, all credit card purchases must be supported by a detailed invoice or receipt. The policy also requires the Board to perform an annual internal compliance audit.

The Board reviewed and approved a list of 12 and 11 employees to be cardholders during the January 2024 and 2025 organizational meetings, respectively, which exceeded the credit card policy's limit of seven cardholders. The Clerk and the bookkeeper were also unable to provide the master list of credit cards and cardholders for either year. After reviewing credit card statements for the 2024 fiscal year, we identified

two credit cards that were issued to a former Clerk. Although the former Clerk previously separated from Town employment and was therefore no longer a Board-approved cardholder, the two credit cards were not deactivated and remained active and unauthorized.

The active unauthorized cards were used to make 18 purchases totaling \$3,369 during our audit period, specifically at a time when the former Clerk was no longer a Town employee. Additionally, none of the claims were approved by the Board prior to payment. According to the credit card statements, these purchases were for a web hosting vendor, stamps, a software vendor, an accounting software vendor and online retail stores commonly used by municipalities. Furthermore, of those 18 purchases, 12 purchases totaling \$844 were never presented to the Board for approval – these 12 purchases included the purchases for a web hosting vendor and stamps. The bookkeeper was unable to verify whether the cards were deactivated as of the end of our fieldwork in August 2025. Additionally, not all credit card purchases had a detailed invoice or receipt.

In addition, the Supervisor and two Board members told us that they do not perform an annual internal credit card compliance audit and were not aware of the requirement to do so in the Town's policy. When the Board does not enforce the Town's credit card policy, there is an increased risk that unauthorized or inappropriate purchases could occur and go undetected.

Recommendation 6 – Require Adequate Supporting Documentation for Credit Card Purchases

The Board should require adequate supporting documentation for credit card purchases.

Status of Corrective Action: Not Implemented

Observations/Findings: The Town's CAP stated that Town officials "...[W]ill be setting up a system to acquire receipts from each department for their credit card purchases more efficiently and all receipts are being scanned as backup for approval." However, we determined that the Board continued to approve payments for unsupported credit card purchases after our original audit. We reviewed 72 credit card purchases from January 1, 2024 through March 31, 2025 totaling approximately \$26,800 and identified 41 purchases (57 percent) totaling approximately \$12,600 that did not have adequate supporting documentation. As noted in Recommendation 10, 33 of the 41 purchases totaling approximately \$8,900 were not presented to the Board for approval and the remaining eight purchases totaling approximately \$3,700 were not approved by the Board until after payment was made.

The Clerk, bookkeeper and financial assistant told us that the bookkeeper fell approximately six months behind in preparing credit card vouchers and inputting the associated claims into abstracts (i.e., listing of claims) for Board review before the financial assistant was hired. The Clerk and bookkeeper told us that they thought the financial assistant finished preparing the missing transactions for review halfway through 2024 but stated that she may have missed some. Town officials were unable to explain why the Board approved the unsupported claims, although one Board member stated that it was likely to avoid late fees. Additionally, because the Board did not review bank statements, they were not aware of the claims and vouchers that were not submitted for review. The Board cannot conduct a thorough review and prevent inappropriate or erroneous payments for credit card purchases without adequate supporting documentation.

Recommendation 7 – Thoroughly Audit Credit Card Claims

The Board should thoroughly audit credit card claims, ensuring that documentation to support credit card purchases is attached before approving claims for payment and ensure credit card statements are reconciled to itemized supporting documentation.

Status of Corrective Action: Not Implemented

Observations/Findings: The Board did not thoroughly audit credit card claims. We reviewed 72 credit card purchases from January 1, 2024 through March 31, 2025 totaling approximately \$26,800. Although the Town's CAP stated that Town officials "...[A]re comparing the credit card bills with the abstract to make certain that each item gets approved on the abstract," we identified 33 purchases (46 percent) totaling approximately \$8,900 that were not presented to the Board for audit. Additionally, the Town's CAP also stated that Town officials "...[A]re attaching...all receipts pertaining to credit card purchases." However, we also identified 41 purchases (57 percent) totaling approximately \$12,600 that did not have adequate supporting documentation (see Recommendation 6), which the Board would need in order to conduct a thorough audit of the claims. Town officials were unable to explain why the Board had approved the unsupported claims, although one Board member stated that it was likely to avoid late fees. The Supervisor and two Board members told us that the Board does not reconcile credit card statements to the abstracts and supporting documentation. Had they done so, they may have noticed the missing purchases and supporting documentation. The Board cannot ensure that all credit card purchases are accurately paid and for appropriate Town purposes without a thorough audit of credit card claims.

Recommendation 8 – Ensure Credit Card Statements Are Paid in Full and in a Timely Manner

The Board should ensure the credit card statements are paid in full and in a timely manner to avoid unnecessary late fees and interest charges.

Status of Corrective Action: Not Implemented

Observations/Findings: The Town's CAP stated that Town officials "...[A]re working on setting later due dates with the credit card companies" in order to ensure timely payments. However, the Board did not always ensure credit card statements were paid in full in a timely manner to avoid unnecessary late fees and interest charges. Although credit card statements from January 1, 2024 through April 30, 2025 were paid in full, they were not always paid in a timely manner. Three of the 16 monthly statements (19 percent) were paid late, resulting in late fees totaling approximately \$130. The bookkeeper told us that the credit card payment due date and monthly Board meetings do not always line up and that some credit card payments were paid late in order to obtain Board approval prior to making the payments. One Board member said the Town had contacted the credit card company, but that the options offered to the Town did not resolve the problem. When the Town incurs fees and penalties from late payments, it unnecessarily increases the burden on taxpayers. Town officials should contact the Town's credit card provider and request the payment due date be changed to better align with Board meeting dates.

Recommendation 9 – Comply with Board Policies and Statutes that Require Competition

The Board should ensure Town officials comply with Board policies and statutes requiring competition when procuring goods and services.

Status of Corrective Action: Not Implemented

Observations/Findings: The Board did not ensure that Town officials complied with policies and statutes requiring competition when procuring goods and services. We reviewed 22 claims totaling approximately \$587,600 that required Town officials to either obtain quotes based on the Town's procurement policy or solicit competitive bids, as required by New York State General Municipal Law (GML) Section 103.²

² GML Section 103 requires competitive bidding for purchase contracts exceeding \$20,000 with certain exceptions. In lieu of seeking competition, towns are also authorized to make purchases using other publicly awarded government contracts, such as those of a county or the New York State Office of General Services (State contract).

Although the Town's CAP stated "...[W]hen quotes are required, they are now attached to the bill for approval," we identified 15 claims (68 percent) totaling approximately \$394,100 for which the bookkeeper was unable to provide documentation showing that quotes and bids were obtained and that policies and statutory requirements were adhered to. Of the 15 claims, six (27 percent) totaling approximately \$168,500, were purchased using New York State Office of General Services contracts.

While the Supervisor and three Board members told us they follow the procurement policy, there was no indication in Board meeting minutes or supporting documentation that multiple quotes were reviewed. The bookkeeper also told us that some quotes may have been misplaced. When Town officials do not effectively use and thoroughly document a competitive process to procure goods and services, there is an increased risk that goods and services may not be procured in the most cost-effective manner to help ensure the most prudent and economical use of public money.

Recommendation 10 – Ensure All Claims Requiring Audit Are Presented to the Board Prior to Payment

Town officials should ensure all claims requiring Board audit are presented to the Board for audit prior to payment, including adequate, originating supporting documentation.

Status of Corrective Action: Not Implemented

Observations/Findings: Town officials did not ensure all claims requiring Board audit were presented to the Board for audit prior to payment. We reviewed 121 claims from January through March in 2024 and 2025 totaling approximately \$2.2 million. We also reviewed 72 credit card purchases from January 1, 2024 through March 31, 2025 totaling approximately \$26,800. We identified 12 claims (10 percent) totaling \$99,778 and 66 credit card purchases (92 percent) totaling approximately \$25,500 that were not audited and approved by the Board prior to payment. Of the 66 purchases, 33 totaling approximately \$8,900 were unsupported and not presented to the Board for approval. An additional 25 purchases totaling approximately \$12,800 were supported but approved by the Board after the payment was made and eight purchases totaling approximately \$3,700 were unsupported and approved by the Board after payment. The Town's CAP stated that "...[T]he Board will continue with its practices of requiring proof of expenditures before approving the bills," however, the Supervisor and bookkeeper were unsure as to why the 12 claims were paid before Board approval.

As noted in Recommendation 6, the Clerk, bookkeeper and financial assistant told us that the bookkeeper fell approximately six months behind in preparing credit card vouchers and inputting the associated claims into abstracts for Board review before the financial assistant was hired. The Clerk and bookkeeper also told us they thought the financial assistant finished preparing the missing transactions for review halfway through 2024, but stated that she may have missed some. Additionally, because the Board did not review bank statements, they were not aware that the claims and vouchers remained unsubmitted for review. However, ensuring that the Board reviews all claims prior to payment helps prevent inappropriate or erroneous payments from being made and going undetected.

Recommendation 11 – Receive Credit for Duplicate Payments

Town officials should ensure the Town receives credit for all remaining unresolved duplicate payments.

Status of Corrective Action: Not Implemented

Observations/Findings: Although the Town's CAP indicated the Board's intention to take additional steps to identify future duplicate payments, Town officials did not ensure the Town received credit for all

remaining unresolved duplicate payments. We reviewed all bank statements, abstracts, claims, vouchers and invoices related to the vendors identified in our original OSC audit to determine whether the Town received any credit since the end of our original audit. For the 13 remaining duplicate payments totaling \$1,449, we did not identify any credits or reimbursements from those vendors. The bookkeeper told us that she thought the Town received credits for the duplicate payments but she was unable to provide documentation showing that any credits were requested or obtained. When Town officials do not recoup duplicate payments, they unnecessarily increase the financial burden placed on taxpayers for Town services.

Recommendation 12 – Request Unnecessary Bank Fees Be Removed

Town officials should request the unnecessary bank fees be removed from Town bank accounts.

Status of Corrective Action: Not Implemented

Observations/Findings: The Town’s CAP stated that “In the upcoming year, the current bank of the town, as well as other banks, will be called to present their package of services and their fee structure...minimizing or eliminating fees.” However, Town officials did not take action to have the existing unnecessary bank fees removed from Town bank accounts. Between January 1, 2022 and May 31, 2025 there was approximately \$2,700 in bank fees assessed to the Town that were not removed as of the end of our follow-up review in August 2025. The bookkeeper told us that she went to the bank to request the unnecessary bank fees be removed soon after our original OSC audit, though she could not provide any documentation showing that the removal of fees was requested or completed. Unnecessary bank fees increase Town expenditures without providing any added value to taxpayers.

Recommendation 13 – Adhere to Policies and Procedures

Town officials should adhere to all Town policies and procedures, including the procurement and credit card policies.

Status of Corrective Action: Not Implemented

Observations/Findings: Town officials did not adhere to all policies and procedures. Although the Town’s CAP indicated that the Board intended to review and update existing policies, as noted in Recommendation 9, Town officials did not adhere to the procurement policy, and as noted in Recommendation 5, the Board did not ensure Town officials adhered to the credit card policy. The Supervisor and two Board members told us they follow the procurement policy and credit card policies, but they were unable to provide documentation supporting this claim. When Town policies and procedures are not adhered to, there is an increased risk that inappropriate or erroneous transactions may occur and go undetected.

Recommendation 14 – Compare Quotes from Vendors to State and Other Government Contracts

Town officials should periodically compare quotes from vendors to State and other government contracts to help ensure purchases are cost effective and in the best interest of taxpayers.

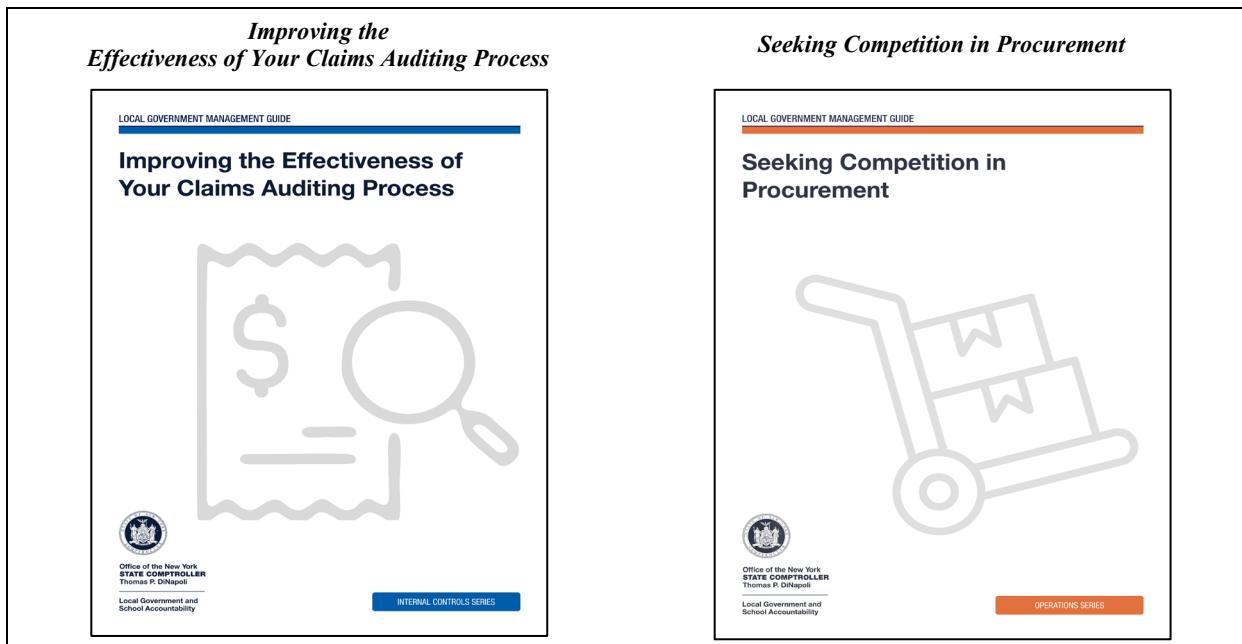
Status of Corrective Action: Not Implemented

Observations/Findings: Although the Town’s CAP stated that “When paying commodity bills going forward, the town will access the NYS website and attach a print-out of the current rate to match what has been billed...” Town officials could not provide evidence that they compared quotes and bids from vendors to State and other government contracts. The Supervisor and two Board members told us that the Board always compares prices from applicable State contracts to quotes and bids obtained from local vendors to

ensure the Town receives the lowest cost possible. However, as discussed in Recommendation 9, we reviewed 22 claims totaling approximately \$587,600 that required Town officials to either obtain quotes based on the Town's procurement policy or solicit competitive bids, as required by GML Section 103³ and determined that officials did not provide evidence that they compared pricing to the State contract for 21 of these claims totaling \$568,800. The Supervisor and two Board members told us they were unsure why there was no documentation of the Board's review of available State and other government contracts. Another Board member said that Town officials were working on a process for identifying all claims subject to such a review, but have not yet finalized. When Town officials do not seek competition in procurement, they increase the risk that goods and services may not be procured at the lowest price possible to taxpayers.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage Town officials to fully implement our recommended improvements. For additional guidance, Town officials should refer to OSC's *Local Government Management Guide* publications available on our website, including *Improving the Effectiveness of Your Claims Auditing Process* and *Seeking Competition in Procurement* (Figure 2).

Figure 2: OSC Local Government Management Guides



<https://www.osc.ny.gov/files/local-government/publications/pdf/improving-the-effectiveness-of-claims-auditing-process.pdf>

<https://www.osc.ny.gov/files/local-government/publications/pdf/seeking-competition-in-procurement.pdf>

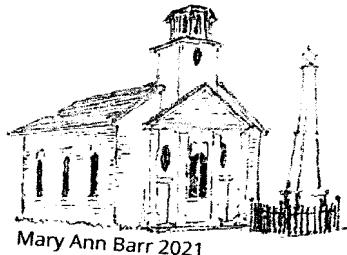
Thank you for the courtesy and cooperation extended to our auditors during this review. If you have any further questions, please contact Lucas Armstrong, Chief of Municipal Audits of our Binghamton Regional Office, at (607) 721-8306.

Sincerely,

Robin L. Lois, CPA
Deputy Comptroller

³ Ibid.

Appendix A – Town’s CAP to the OSC Audit Report



The Town of Danby, New York

1830 Danby Road, Ithaca, NY 14850

<https://danby.ny.gov>

Joel Gagnon, Supervisor

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The Town of Danby would like to preface our response to this audit by expressing our gratitude to the State Auditors for the extensive time invested and the thoroughness of their review of the town’s records. We greatly benefited from the services provided by the Comptroller’s Office in such a comprehensive way. The help is much appreciated and has enhanced the Town’s management of the taxpayers’ money.

Our responses to the key findings are as follows:

1. Officials did not solicit bids for five commodities or obtain minimum required quotes for some purchases.

The Town relies on State and County Contract Pricing, when available, for all commodity purchases. Propane, diesel fuel, gasoline, road salt, sand, and other materials are part of this list. If a product is being contracted for or just purchased and is not on the State Contract list, the Highway Department and other Town departments, before making the purchase, seek quotes from vendors to get the best price for the town. The auditors did bring it to our attention that Ferrell Gas Company, for example, was charging us rates that were not State Contract prices. That finding educated us on how to check to make sure we are getting the State or County contract prices as each bill is presented, and the importance of always checking the state web-site to do so.

This finding is definitely a lesson in documenting and recording the quotes obtained from hours of time put into price shopping by town staff. Both the Staff and Town Board pride themselves in watching all costs for goods and services. We now know that the proof of the effort in obtaining quotes needs to be conscientiously recorded in a more accessible fashion to enable appropriate review and to confirm compliance with the Town’s procurement policy.

The Highway Department does not always get material at the lowest cost. There are reasons for this that include location of pickup and quality of material. There are times when hauling material from a pit that is closer is really what is needed to minimize the overall expense of obtaining the product. Also, there are times when paying more from a particular pit is the best for the town because of the quality of the product that is needed for a particular situation or

project. The Highway Superintendent is interested in getting the most for the town's money and producing lasting results.

PLAN OF ACTION:

The Highway Department has already contacted Ferrell Gas and is in the process of seeking a refund for 2020 and 2021 for any rates that were charged to the town that were above state contracts rates. When paying commodity bills going forward, the town will access the NYS website and attach a print-out of the current rate to match what has been billed. When a bill is being presented for payment that requires quotes, those quotes will be attached to the vouchers as proof of following the procurement policy of the town. When these findings were brought to the attention of the town during the audit process, the town immediately put together a new procurement policy that makes it clearer how purchases of goods and services are to be appropriately made.

2. The Board approved unsupported claims.

Once again, this is a lesson in making sure that the documentation that the State expects as backup is attached to the bills. There is never a bill that is approved for payment by the Board that does not have backup of some kind to prove the expense. Even credit card bills have the credit card statement that indicates who made the purchase attached to the bill. As the auditors mentioned in their findings, they did find that all expenditures that were paid were for appropriate expenses. The years 2020 and 2021 were the scope of this audit. During that time, COVID caused the town to change its procedures from using in-person meetings to online meetings. This changed the procedures for reviewing bills by the Board. Instead of the Board sitting down to stacks of information such as delivery tickets for commodities and stacks of weigh bills, they were reviewing scanned vouchers and bills online for the first time. Listed statements totaling the amount of expected payment were being scanned and the other stacks of backup were not. All bills have support for payment and are carefully reviewed by Board members. Our documentation process, as acknowledged above, needs to be improved. The auditors wanted to see more support for some of the bills that were being approved, and

informed us of further documentation that should be included. This is another instance where the town greatly appreciates the thoroughness and time spent by the Auditors to point out these deficiencies in our procedures.

PLAN OF ACTION:

The Board will continue with its practices of requiring proof of expenditures before approving the bills. Thanks to the Auditors, we are all aware of other documents that are expected before final approval. We are still approving bills from electronic submission and review, but we are making sure that we are attaching delivery tickets, all receipts of purchases, and all receipts pertaining to credit card purchases. We are also aware of certain bills that should not be paid before the board meeting, such as health insurance bills. When quotes are required, they are now attached to the bill for approval.

3. The Board approved 19 claims twice.

The practice that is followed when preparing bills by the staff is that each bill is double-checked to make sure that duplicate payments are not paid. There are times, however, when things can slip through when comparing what is presented for payment in statements from companies does not reflect payments made but not yet received or credited at the time of bill creation. One example is the paying of a bill for deicing salt in 2021, when it had already been paid in 2020. This bill got in with the 2021 group of bills and was missed from six to eight months back. It was caught, and the amount was credited to the town. The propane bills from Ferrell Gas are especially difficult to follow. Many times amounts are lumped together and we do all that we can do to keep the payments correct. In 2020 and 2021 staff was working from home as well as the office. Information was being transferred from one location to the other on a weekly basis and these four bills were confused. Credits for the overpayments were made back to the town. The smaller amounts are mostly in auto parts. Many times the mechanic will return parts and then repurchase them, creating credits and new purchases showing on the billing. There are hundreds of purchases throughout the year and we try to match up each invoice. A few got through twice, but credits were generated and funds returned.

PLAN OF ACTION:

We will continue the practice of looking back on previous abstracts to ensure that duplicate payments are caught. Before the preparation of each abstract, many duplicate bills are received, caught and discarded as being already paid. We will continue to monitor this situation and take even more time with this process. We will more thoroughly utilize the current function in our software for crosschecking invoice numbers during the payment process.

4. Credit card purchases were paid prior to Board audit and some were not presented for approval.

The credit card bills that are presented to the town have a short window of ten days to be paid. There were times throughout the year when we made the payment before presenting the bills to the board to avoid late fees being added. In part this was due to not being fully aware of limitations on pre-pays in State law. The Auditors' assistance in learning the right way to handle this situation was one of the many ways we benefited from their work. We are in the process of asking the credit card companies to adjust the due dates for payment to better align with Town Board review and approval. Also, as we mentioned earlier, the payment process took longer during the early COVID period as we were scanning bills, obtaining receipts from departments and matching things up for payment during the time when we were all working from home.

PLAN OF ACTION:

As stated, we are working on setting later due dates with the credit card companies so that it gives us more time to match up receipts and get Board approval before the payment goes out. We are comparing the credit card bills with the abstract to make certain that each item gets approved on the abstract. We will be setting up a system to acquire receipts from each department for their credit card purchases more efficiently and all receipts are being scanned as backup for approval.

Banks have many different services. The banks that we have used over the years charge bank fees for maintaining accounts and for providing online services. The Bookkeeper has been charging these bank fees to the Supervisor Contractual Line. The Auditors have pointed out that these charges should be presented to the board on the abstract. The Auditors have also suggested that we should not be paying fees to banks for services and that other deals, so to speak, could be worked out.

PLAN OF ACTION:

Over the last year, the Supervisor and the Bookkeeper have been making contact with other banks. In the upcoming year, the current bank of the town, as well as other banks, will be called to present their package of services and their fee structure. The Town Board will review the offers and decide on a bank that will serve the town's needs at minimum overall cost, minimizing or eliminating fees.

Sincerely,

Joel Gagnon, Danby Town Supervisor