



# Village of Youngstown

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## Employee Benefits and Payroll

2025M-123 | April 2026

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# Audit Results

## Village of Youngstown



Audit Objective	Audit Period
Did Village of Youngstown (Village) officials maintain leave records and make payroll payments that were accurate, properly approved and adequately supported?	June 1, 2023 – June 24, 2025
Understanding the Audit Area	
<p>Payroll payments, including regular salaries and wages, overtime and payments to employees for unused leave accruals or other benefits upon separation from service, represent a significant portion of a village’s annual budget. To properly control and account for these costs, village officials must ensure employees only receive the compensation and benefits approved by a village board to which they are entitled, and time records adequately support and document employees’ hours worked, and leave earned and used.</p> <p>For the 2024-25 fiscal year, the Village’s budgeted appropriations totaled \$2 million, with employees’ salaries, wages and benefits accounting for approximately \$800,000 (40 percent) of the total.</p>	

## Audit Summary

Village officials did not maintain leave records or make payroll payments that were accurate, properly approved and adequately supported for all six of the Village’s full-time employees and one part-time employee. As a result, in certain circumstances employees received leave accrual payouts, used leave hours and accrued compensatory time without proper support or approval. Additionally, employees were not always paid accurately.

Specifically, Village officials extended collective bargaining agreement (CBA) benefits to four employees without first ensuring that there was Village Board (Board) authorization to extend the benefits. This resulted in two employees being paid \$9,802 in leave accrual payouts without proper approval or support.

Village officials did not approve 273 leave request forms resulting in a total of 1,524 unapproved leave hours. Additionally, two individuals who previously worked in the Clerk-Treasurer title credited themselves with compensatory time without oversight or approval from another Village official. In

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total, we identified four employees who accrued a total of 313 hours of compensatory time without employment contracts, a local law or Board resolution authorizing such benefit.

Furthermore, Village officials made inaccurate payroll payments to three employees totaling approximately \$2,500 between June 1, 2023 and January 25, 2025.

The report includes 10 recommendations that, if implemented, will improve the Village's leave accrual and payroll processes. Village officials generally agreed with our findings and indicated they plan to initiate corrective action.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law (GML). Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of GML. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Clerk's office.

# Employee Benefits and Payroll: Findings and Recommendations

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A village board should establish eligibility criteria for employees to earn and use leave accruals including vacation, sick, personal and compensatory time, and establish annual salaries and hourly wages. These can be established by a village board-approved CBA, individual employment contract, policy, employee handbook or other village board authorization.

The village board should also establish written policies and procedures to help ensure employees are paid only for hours worked by requiring employees to use timesheets that document actual days and hours worked. Direct supervisors should review and sign timesheets to certify and approve that the hours were worked.

More details on the criteria used in this report, as well as publications we make available to local officials that can help them improve their leave accrual and payroll processes (Figure 1), are included in Appendix A.

## **Finding 1 – Leave accruals were not supported by a Board-approved CBA, individual employment contract or employee handbook.**

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Two of the six full-time employees were represented by a CBA that defined and authorized their leave benefits, including how leave is earned and how unused leave accruals are paid upon separating from Village employment. However, the four other full-time employees did not have a Board-approved CBA or individual employment contract providing these stipulations. Instead, the Mayor, Clerk and Treasurer told us that Village officials historically extended the leave benefits provided by existing CBAs to all full-time employees. While it is permissible for a local government to extend benefits of a CBA to non-union employees, the Board did not adopt a local law or resolution authorizing non-union employees to receive the same benefits as employees covered by the CBA. Furthermore, the Board did not develop a policy or establish an employee handbook that addressed eligibility criteria for the four employees to earn, use and accrue leave, including the types of leave accruals that could be earned and accrued, maximum balances to be carried forward each year and eligibility for cash payments for the monetary value of all, or a portion of, these employees' unused leave accruals upon separation from Village employment.

As a result, we identified two employees who received leave accrual payouts totaling \$9,802 that were not supported by a local law, Board resolution, policy or employee handbook. Specifically:

- A former Clerk-Treasurer was paid \$9,418 for 298 hours of accrued leave which included 149 hours of unused compensatory time, 124 hours of vacation time and 25 hours of personal time.
- The Clerk was paid \$384 for 16 hours of unused accrued compensatory time.

The Mayor and Deputy Mayor agreed that the practice of extending benefits to non-union employees without a local law or resolution was incorrect and told us that the Board was working with an attorney

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to rectify this issue, including creating a Village employee handbook that will provide guidance for leave benefits for Village employees not represented by the CBA.

The lack of documentation and support for providing leave benefits and separation payments undermines the transparency of the Village's financial operations. The Village's financial operations, including all amounts paid to employees as compensation, should be open and transparent to all stakeholders including the taxpayers who fund its operations.

## Recommendations

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The Board should:

1. Adopt a written policy or create an employee handbook to establish eligibility criteria for employees, not covered by a CBA, to earn and use leave accruals, including the types of accruals, maximum balances to be carried forward each year and payments upon separation and eligibility for these payments.
2. Consult with legal counsel as to the advisability of ratifying leave benefits and separation payments provided to current and former Village employees who were not covered by a CBA, without prior Board authorization.

## Finding 2 – Leave use was not properly approved or accurately recorded.

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Although Village employees generally used leave request forms to document leave requests and obtained supervisory approval, the Board did not adopt a written policy or establish an employee handbook that required employees to use leave request forms or obtain written supervisory approval prior to using leave. Additionally, Village officials did not have procedures in place, such as having department heads and/or supervisors compare timesheets to leave request forms, to help ensure employees' leave benefits were properly approved and recorded on the employee's timesheet.

We reviewed all 403 leave request forms from June 1, 2023 through January 25, 2025 and determined that the employee's supervisor or department head did not approve 273 forms, resulting in a total of 1,524 unapproved leave hours. We also identified 18 instances, totaling 94.5 hours, in which leave request forms and timesheets did not agree. Specifically:

- 10 instances totaling four hours in which the leave approved on the leave request forms did not agree with the hours recorded on timesheets.

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- Five instances totaling 84 hours in which the employee's timesheet indicated that the employee used leave but a leave request form was not available.
  - Three instances totaling 6.5 hours in which a leave request form was on file but the timesheet did not indicate the employee used leave.

The former Clerk-Treasurer and Treasurer<sup>1</sup> were responsible for recording leave accruals in an electronic workbook used to track full-time employees' leave balances. However, Village officials did not have a formal process in place to help ensure the completed forms were provided to the Clerk-Treasurer each time accrued leave was used. Furthermore, the Mayor and Treasurer told us that Village officials did not review the electronic workbook to ensure the accrued leave balances were accurate or adequately supported by properly approved leave request forms.

The Mayor told us he believed the Clerk and Treasurer were both trustworthy, and that they accurately recorded accrued leave and maintained accurate leave accrual records. However, the Mayor agreed that more oversight would help avoid discrepancies in the future. Had a formal review process been implemented, these discrepancies could have been detected to help ensure accrued leave was accurate, approved and supported. Without a formal process in place, there is increased risk that unearned leave may be accrued and employees could take leave and not deduct the leave from accruals. Moreover, because employees are paid the monetary value of certain unused accrued leave when they separate from Village employment by retirement, termination, or resignation, it is especially important to maintain accurate leave records and regularly reconcile leave balances.

Additionally, two individuals who previously worked in the Clerk-Treasurer title credited themselves with compensatory time without proper oversight or approval from another Village official. In total, we identified four employees who were credited a total of 313 hours of compensatory time without employment contracts, a local law or Board resolution authorizing such benefit. According to the Village's CBA, only Department of Public Works (DPW) salaried employees who work more than 37.5 hours in a week were eligible to earn compensatory time. Specifically:

- A former Clerk-Treasurer, employed until March 2024, credited herself 577 hours in June 2023 without approval or support. On her employment anniversary date in 2023 and 2024, she carried forward 578 hours and 588 hours, respectively.
- Another former Clerk-Treasurer, who was Deputy Clerk-Treasurer prior to the Clerk-Treasurer in March 2024, credited herself 121 hours in 2023 with no approval or support. On her employment anniversary date in 2023 and 2024, she carried forward 121 hours and 157 hours, respectively.
- The DPW Superintendent continued to accrue compensatory time after he was appointed to an exempt position in June 2023 and was no longer represented by the CBA that provided this benefit. Despite the absence of a local law or resolution indicating that the DPW Superintendent was still eligible for the benefits set forth in the CBA, the former Clerk-Treasurer carried forward

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<sup>1</sup> At the beginning of the audit period, the Village Clerk-Treasurer's office was composed of a Clerk-Treasurer and Deputy Clerk-Treasurer. In February 2025, the Board approved the separation of titles and the Mayor appointed two separate individuals, one to serve as the Clerk and the other to serve as the Treasurer.

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over 62 hours of compensatory time on the DPW Superintendent's 2023 employment anniversary date with the Village and 111 hours on the 2024 employment anniversary date with the Village.

- The Clerk accrued 18 hours after being appointed in April 2024 through January 26, 2025. However, there was no employment contract, local law or resolution authorizing this individual to accrue compensatory time.

Without Board-adopted policies and procedures providing guidelines for earning leave accruals as well as compensatory time, including eligibility criteria and requiring a review by an appropriate Village official, the Board's intentions were unclear and open to interpretation by employees and Village officials. As a result, the Board has less assurance that Village employees received and were paid for the benefits they were entitled to.

## Recommendations

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The Board should:

3. Adopt written policies governing the maintenance of leave records, reviewing leave records for accuracy and requiring employees to prepare a leave request form and an appropriate supervisor or department head approving the leave each time leave is used.

The Treasurer should:

4. Develop procedures to review leave request forms and ensure that leave used is properly deducted from leave accrual balances.

The Mayor and Village officials should:

5. Periodically review employee leave records to ensure leave records are accurate, and leave use and accruals are properly approved and supported.
6. Review and approve compensatory time off prior to it being earned and recorded by the Treasurer.

## Finding 3 – Village officials made payroll payments that were not accurate, properly approved or adequately supported.

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We reviewed 477 timesheets and pay rates for all six full-time and 25 part-time employees between June 1, 2023 and January 25, 2025 and identified three employees who were paid inaccurately due to errors totaling approximately \$2,500. Specifically:

- One employee was underpaid for four hours totaling approximately \$70. In December 2023, this employee received back-pay for 11 pay periods totaling approximately \$1,290 because in July 2023, his hourly rate was not properly increased by the Treasurer.

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- One employee was underpaid 19.5 hours totaling approximately \$530 in one pay period.
  - One employee was incorrectly paid on four separate pay checks. This included an underpayment of approximately \$420 that was corrected in the following pay period. However, in the following two pay periods, this employee was overpaid approximately \$120. The Mayor, Clerk and Treasurer could not explain this overpayment since it occurred when the former Clerk-Treasurer processed payroll. In another pay period, this employee was overpaid approximately \$100, and this error was corrected in the following pay period.

The Treasurer told us the incorrect payroll amounts resulted from incorrectly entering hours into the payroll system and because the Treasurer did not update the employee's hourly rate. Village officials did not review the payroll to ensure the hourly rates were accurate or the hours were entered correctly. The Mayor was responsible for certifying payroll, and he told us that he reviewed a summary sheet including employee gross pay and deductions. He did not review timesheets to ensure hours paid were approved or supported, or review pay rates to ensure they were accurate or that a properly approved salary or hourly wage had been used.

Additionally, of the 477 timesheets reviewed, 225 (47 percent) were not approved by a supervisor or department head. Village officials did not have a process in place to help ensure that all timesheets were approved by a supervisor or department head. The Clerk, Treasurer, and Mayor agreed that a procedure should have been established requiring timesheet approval and indicated they would take corrective action. Without properly approved timesheets, Village officials have less assurance that payroll is accurate or adequately supported.

## Recommendations

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The Board should:

7. Develop, adopt and implement written policies and procedures that clearly designate the Village officials and employees who are responsible for preparing, reviewing and approving payroll payments.

The Mayor should:

8. Ensure employees are paid the correct salary and hourly wage and for hours worked.

Village officials should:

9. Approve each timesheet for employees they supervise to indicate that they have verified timesheet accuracy including all hours and days worked.
10. Consult with legal counsel to determine the appropriate course of action to address the over and underpaid employees and whether corrective action should be made.

# Appendix A: Profile, Criteria and Resources

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## Profile

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The Village is located in Niagara County and has a population of 1,783 residents. The Village is governed by the elected Board which is composed of the Mayor and four Trustees. The Board is responsible for the general management and control of Village financial affairs. The Mayor, with Board approval, appoints a Clerk and a Treasurer. At the beginning of the audit period, the Village Clerk-Treasurer's office was composed of a Clerk-Treasurer and Deputy Clerk-Treasurer who were appointed by the Mayor with Board approval. In February 2025, the Board approved the separation of titles and appointed one individual to serve as the Clerk and another individual to serve as the Treasurer. The Treasurer is the Village's chief fiscal officer and is responsible for processing payroll and maintaining leave accruals. The Clerk is responsible for maintaining all Village records and collects all taxes, fees and assessments due to the Village.

The Village had six full-time and 25 part-time employees during the audit period. Full-time employees received leave benefits such as vacation, sick, personal and compensatory time. The Village paid employees based on a salary or hourly wage established on an annual basis.

## Criteria – Employee Benefits and Payroll

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Accrued leave represents paid time off earned by employees, generally pursuant to a village board-approved CBA, individual employment contract, or employee handbook and provides eligibility criteria for employees to earn vacation time, sick time, personal time and compensatory time in lieu of overtime.

Designated village officials should maintain accurate and up-to-date leave records. Accurate leave records reflect each employee's accrued leave balances and are supported by properly approved timesheets and leave requests. Direct supervisors should review and sign timesheets to certify and approve that the hours were worked. Additionally, leave accruals earned or awarded must be authorized by village board-approved CBAs, individual employment contract, policy, employee handbook, local law, or resolutions. Furthermore, leave used must be deducted from leave balances in a timely manner to ensure leave balances are accurate. The use of leave request forms should be required for all employees to document prior supervisory approval to use accrued leave and to support absences covered using leave.

The mayor should implement procedures for village officials to review leave requests and ensure that leave used is properly deducted from leave accrual balances. The mayor, or another village official or employee having direct supervision over individual employees, should periodically review employee leave records to ensure leave records are accurate, and leave use and accruals are properly approved and supported.

All salary and hourly wages paid to employees should be supported by time records and authorized by a village board-approved CBA, individual employment contract, policy, employee handbook or resolution. Employees should prepare, certify and sign detailed time records that document actual days and hours worked. These time records should be reviewed and approved by supervisory personnel who have direct contact with the employee. Before checks are distributed, payroll registers or similar records should be certified by the mayor, or another official or employee having direct supervision over individual employees. The certification should indicate that to the best of the certifier’s knowledge, days and hours worked are accurate and justified.

## Additional Employee Benefits and Payroll Resources

**Figure 1: OSC Publications**

OSC *Local Government Management Guides* and other information resources are available on our website to help officials understand and perform their responsibilities.

<i>Practice of Internal Controls</i>	<i>Fiscal Oversight Responsibilities of the Governing Board</i>
 <p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p><b>The Practice of Internal Controls</b></p> <p>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>INTERNAL CONTROLS SERIES</p>	 <p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p><b>Fiscal Oversight Responsibilities of the Governing Board</b></p> <p>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>INTERNAL CONTROLS SERIES</p>
<p><a href="https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf</a></p>	<p><a href="https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf</a></p>

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

# Appendix B: Response From Village Officials

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INCORPORATED:  
APRIL 18, 1854

## Village of Youngstown

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March 26, 2026

██████████  
Office of the State Comptroller  
Local Government and School Accountability  
Buffalo Regional Office  
295 Main Street, Suite 1032, Buffalo, New York 14203-2510

Subject: Village Board Response to Audit of the Village of Youngstown

Dear ██████████ and Team,

We have reviewed the draft audit report for the Village of Youngstown, Employee Benefits and Payroll, covering the period June 1, 2023 to June 24, 2025. The Village Board appreciates the insights provided by the audit team and is committed to improving our internal controls and compliance. Our responses regarding the findings noted are listed below.

**Finding 1:** Leave accruals were not supported by a Board-approved CBA, individual employment contract, or employee handbook.

The Village Board agrees that historically there has not been a formal process or document that properly addresses leave accruals and associated payouts. An employee handbook that specifically addresses these items has been drafted by Schroder, Joseph & Associates, LLP, a Buffalo law firm that specializes in labor law. It has also been reviewed and approved by our Village Attorney, Chris Trapp of Greco & Trapp, PLLC. It has also been reviewed by the board and is expected to be implemented at our annual Reorganizational Meeting in June 2026.

**Finding 2 –** Leave use was not properly approved or recorded accurately.

The administration agrees that additional oversight and enhanced record keeping are necessary to accurately track paid leave and compensatory time earned. The previously mentioned employee handbook includes sections regarding accrual and usage of each type of paid leave and earned time off. In the meantime, all timesheets, time off requests, and compensatory time

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## Village of Youngstown

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earned slips are reviewed and signed by the appropriate supervisor or department head. Department head timesheets and time off requests are signed by the Mayor or Deputy Mayor.

The treasurer, supervising department head, and employee regularly review and reconcile leave use and balances. Additionally, an employment contract is now in place for the current DPW superintendent. Employees not covered under contract no longer earn compensatory time.

**Finding 3 – Village officials made payroll payments that were not accurate, properly approved or adequately supported.**

The administration agrees that a formal process should be drafted and implemented to ensure that there is adequate oversight and periodic review of wage and payment information. We have already implemented the practice of department heads reviewing and signing employee timesheets and time off requests. The clerk verifies salary and wage amounts each pay period by comparing paystubs provided by the treasurer to a spreadsheet with current wage information. A written process will be created in tandem with the employee handbook.

We believe these actions address the risks identified by the audit. We will provide detailed CAPS for each item and any applicable updates on the implementation progress as required.

Sincerely,

Rob Reisman

Mayor

# Appendix C: Audit Methodology and Standards

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We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed Village officials and reviewed the CBA to gain an understanding of the payroll and leave accrual processes and to determine whether the Village had any written policies and procedures for payroll or leave accruals.
- We reviewed all 477 timesheets available for June 1, 2023 through January 25, 2025 to determine whether they were available and approved by department heads or supervisors.
- We reviewed the CBA and the Village's adopted budgets for the 2023-24 and 2024-25 fiscal years to identify Board-authorized salaries and hourly rates for six full-time and 25 part-time Village employees during the audit period. When hourly rates were not Board-approved, we identified the hourly rates used in the Village's payroll system. Using these rates, and the hours worked documented on employees' timesheets, we recalculated how much each employee should have been paid and compared the amounts to payroll reports for June 1, 2023 through January 25, 2025 to determine whether employees were paid accurately for hours worked.
- We reviewed 403 leave request and compensatory time forms for June 1, 2023 through January 25, 2025 to determine whether they were approved and authorized. In addition, we reviewed the electronic workbook to determine whether the Clerk-Treasurer or Treasurer accurately recorded leave awarded and used.
- We reviewed all leave accrual payouts from June 1, 2023 through May 31, 2025 to determine whether employees were eligible for these payments and whether they were properly approved and supported.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

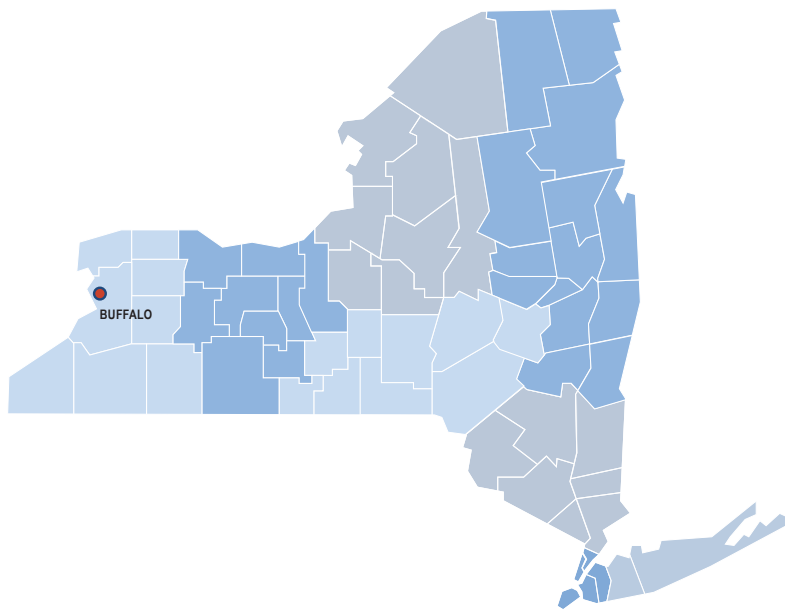
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