



# COUNTY OPERATIONS COUNTY FUNDS POLICY

Revised July 1, 2022

*All funds collected by Cooperative Extension employees in support of an Extension program must be maintained and administered in accordance with these guidelines.*



- I. Signature authority on the checking account and investment accounts must be updated as soon as the individual(s) with signature authority are no longer employed with the office or when financial responsibilities are transferred.
- J. All funds collected must be handled in a manner that will maintain the public trust in our program and institution. The handling and maintenance of these funds should pass the “sunshine test” which states...” If all of our fund records were published in the local paper, the public consensus would be that they were well managed.”
- K. Failure to implement or carry out these procedures can result in disciplinary action including possible termination. Any loss of funds due to fraud or misappropriation can result in similar disciplinary action including possible criminal prosecution.
- L. Each county Extension unit with funds should have a federal employee identification number (federal ID#). This number is to be used in filing IRS documents, establishing federal income tax exempt status, and for identifying all accounts. Each county is required to file the appropriate IRS tax return (Form 990, 990-EZ, or 990-N) annually as required by the IRS. All 990 forms should be filed by May 15<sup>th</sup> of each year.
  - a. The County Extension Coordinator in each office is responsible for completing the tax forms. A copy of each completed form should be sent to the district business office.
  - b. The Financial Operations Training Specialist shall keep a record of each county’s tax filing status and follow up with counties who have not met the May 15<sup>th</sup> yearly deadline. In addition, the Financial Operations Training Specialist shall notify the District Extension Director when counties have not met the filing deadlines.
- M. Federal tax-exempt status does not exempt the county Extension/4-H program from paying sales tax. Only purchases processed through the county government or UGA are tax exempt.
- N. The Georgia Extension 4-H Foundation was approved for 501(c)3 status on December 18, 2013. All County Extension/4-H entities can accept tax deductible gifts on behalf of Extension/4-H, and acknowledge these gifts.
- O. U.S.D.A. policy and federal law prohibits the misuse of the 4-H name and emblem. Any funds collected using the 4-H name and emblem must be used for 4-H purposes. Specific information on use of the name and emblem was established by Public Law 772 and is

explained in U.S.D.A. publication # 1282. No county can create a 501(c)3 entity using the 4-H name and emblem.

- P. Volunteer Groups and Project clubs must have a budget and spend the funds within 12 months. Carry overs are limited to 50% of a year's budget unless allocated for a specific project.
- Q. Extension offices should not provide banking or recordkeeping services for GA Farm Bureau, civic clubs, county fair sponsors, livestock breed associations, independent Master Gardener Associations, or other entities or individuals not affiliated with UGA. This includes processing awards premiums or payments for livestock not affiliated with UGA.
- R. ~~Association dues, registration fees for professional development, and travel associated with professional development from the county checking account is acceptable under certain circumstances. Funds used to support professional development must be undesignated program funds. Undesignated program funds include funds that are donated, granted, or raised with no specific use or purpose beyond the support of Extension/4-H's mission. Funds raised from fundraisers should not be used for professional development expenses unless professional development is one of the documented and transparent goals of the fundraiser. The preferred method of paying for professional development expenses is through your county's budget. Payments to a local chamber of commerce or other dues that benefit the entire office are allowed from undesignated program area funds. The voucher for individual professional development expenses must include an accurate record of the source of funds.~~ Association dues, registration fees for professional development, and travel associated with professional development from the county checking account is acceptable under certain circumstances. Funds used to support professional development must be undesignated program funds. Undesignated program funds include funds that are donated, granted, or raised with no specific use or purpose beyond the support of Extension/4-H's mission. Funds raised from fundraisers should not be used for professional development expenses unless professional development is one of the documented and transparent goals of the fundraiser. The preferred method of paying for professional development expenses is through your county's budget. Payments to a local chamber of commerce or other dues that benefit the entire office are allowed from undesignated program area funds. The voucher for individual professional development expenses must include an accurate record of the source of funds.

Examples would be pizza at the senior 4-H Meeting or refreshments for your Program Development Team. Documentation should include a list of participants and program agenda and must be attached to the voucher. Such purchases should be conservative. If food is purchased for an event, it is appropriate to include all employees working the event.

- T. From time to time it may be appropriate to purchase meals in the course of doing business. A business meal must have a stated purpose and should be important to the success of that purpose. Itemize receipts (not just credit card receipt) and a list of people attending the meal must be attached to the voucher. Meals that include only employees should be part of a business function such as an annual/quarterly staff development meeting and should be infrequent. The purpose of the meeting should be stated on the check 4(mpl)-3p0eal must be I

## CASH RECEIPTS AND DEPOSIT PROCEDURES

- A. Establish a verifiable record of all cash and checks received
  - 1. All collections must be recorded on a multi-copy (at least two) pre-numbered cash receipt form.

3. The designated funds custodian is required to secure the funds in a protected location. No other staff member should have access to funds once the receipts are transferred to the designated custodian. Other staff members who receipt customers must secure the funds in a separate location until they can be transferred to the designated custodian.
4. All staff members may have access to a change fund to make cash for transactions.







reimbursements must be approved by the DED. Any CEC reimbursements for professional development should be preapproved by the DED before travel.

#### K. Advance of Personal Travel Expenses

1. At the discretion of the CEC, an extension program or office account may be used to pay an employee an advance to cover reimbursable travel expenses. A travel advance may be considered to cover the following:
  - Conference/training registration fees
  - Hotel costs
  - Airline tickets
2. Advances may not be used to prepay routine travel or non-travel expenses.
3. Advances must be by check made payable to the employee, and a voucher should be filled out when the check is issued.
4. The employee must submit an expense statement for reimbursable expenses within five days of returning from their trip and repayment of the travel advance must be made promptly upon receiving their reimbursement.
5. It is the responsibility of the CEC to verify that all advances are repaid in a timely manner.
6. Any unreasonable delay in resolving an outstanding advance must be reported to the appropriate District Extension Director.

#### L. Advance of Travel Expenses for a Group

1. At the discretion of the CEC, a travel advance may be paid to an employee or volunteer to cover the cost of gas for the office van, for meals, and for other incidental expenses when transporting 4-H students or other groups of individuals to an event.
2. Any advance must be approved by the CEC. Advances must be paid by check made payable to the employee or volunteer. It is the responsibility of the employee or volunteer who receives an advance to submit receipts, change or other documentation equal to the amount of the advance within five (5) business days after his/her return. If the expenses are to be repaid by the county government, the individual who received the travel advance should direct the county to submit the reimbursement to his/her cooperative extension office with the check made payable to the individual. It is the responsibility of the CEC to verify that all advances are promptly repaid by the individual to the county program account. Any unreasonable delay in resolving an outstanding advance must be reported to the appropriate District Extension Director.
3. Advances must be by check made payable to the employee or volunteer, and a voucher should be filled out when the check is issued.

- M. Documenting the Use of Contributions/Donations, Disbursements made from Contributions/Donations, must include documentation demonstrating the source and transference of the funds with the voucher. Documentation may include a class transfer document describing the source of the funds and which program will benefit from the expenditure. The appropriate class transfer journal entry must be made in the accounting system the day the disbursement is remitted.
- N. Grant (Pass-Through & Active) and restricted contribution/donation expenditures must be reported to the District office within 30 days after complete use of grant funds or restricted contributions/donations. The reports must include the award documentation, documentation from donors restricting a contribution/donation, or other documentation showing the intended use of the funds, and reports from QuickBooks Online demonstrating the use of the funds. The reports from QuickBooks Online include the profit and loss detail reports for both the grant or restricted contribution/donation's respective classes and the class and program area where the funds were spent.
- O. Payment of Postage / Shipping Fees with State Funds  
If requesting reimbursement, the county may submit the appropriate receipts to the District Office for reimbursement from state funds. State funds should not be used for:  
Shipping of any diagnostic samples to the lab. These fees must be paid from client fees or county government funds.  
Fundraising advertisements where the sole purpose of the mailing is to solicit participation in the fundraiser.  
Mailing cost associated with local fundraisers should be covered out of the profits of the fundraiser. (State funds may be used for individual donor stewardship.)

## ACCOUNTABILITY AND RECONCILIATION PROCEDURES

- A. Each County Extension office must record and monitor its financial transactions using a standard computer accounting program. Currently the standard program is “QuickBooks Online.”
1. Access to QuickBooks Online should be limited to working business hours and should only be accessed from a county computer. A personal computer, tablet, or phone should not be used to access the accounting records.
  2. No transaction should be subsequently deleted after being recorded unless the transaction is voided and voided record is maintained on file. The amount and bank account information on a reconciled transaction may not be edited. Edits to classes, income, or expense accounts are allowable if a description of each edit is recorded in memo or description of the transaction. You may not add, delete, or edit the chart of accounts without approval from the UGA appointed QuickBooks administrator. The approval must be documented and kept on file.
  3. Passwords should not be shared among office staff and QuickBooks Online access should be restricted to the designated and assigned individuals’ unique user IDs.

- B. Offices must print s s lion reporrnt58(wheque)a833.39(re)-2(c)4(onc)4(il)i(mon)-11(g)1a833.40(th-5re)

1. When reviewing the reconciliations, QuickBooks Online reports, and bank statements, the CEC should also ensure that an approved disbursement voucher has been prepared for each expenditure.
  2. When reviewing QuickBooks Online reports, the CEC should question any cases of missing or unrecorded check numbers or cash receipt forms.
- F. The signed “Monthly Reconciliation Checking Account Summary / Detail” Cover Page Report should be completed by the CEC for each account and shall be sent along with the QuickBooks Online “Reconciliation Detail Report” and copies of the credit card and bank statement to the district office within 30 days of receiving the bank and credit card statements. Send all information through the UGA Sendfiles service only. Do not send via email. The CEC must also report any use of missing receipt affidavit forms, urgent and unplanned purchases, and personal use of state approved credit cards.
1. A trained staff member appointed by the District Extension Director will review the Reconciliation Detail Report and accompanying data on a monthly basis. The appointed staff member shall document and report any errors or inconsistencies.
    - i. Any errors, inconsistencies, and reconciliation adjustments should be immediately reported to the District Business Manager, District Extension Director (DED) and Financial Operations Training Specialist for further review.
  2. In consultation with the DED, the District Business Manager will follow up with county offices to resolve any identified errors and inconsistencies.
  3. On a monthly basis, the District Business Manager will perform a secondary review of at least 6-8 county reconciliation reports. Each county reconciliation in the district will be reviewed at least 2 times per year.
- G. County office personnel may not sign a document for anyone other than themselves. Extension offices may not have signature stamps or any other means of replicating an individual’s signature.
- H. All outstanding checks are to be voided in QuickBooks Online if they are outstanding for over 90 days.
- I. The CEC may delegate check signing, management, or other authorities to a designated business manager. The business manager’s primary responsibilities must be those delegated by the CEC. The business manager cannot be the cash custodian or the bookkeeper.
- J. In county offices, the secretary or office administrator

required to keep a mailing log of all group mail distribution activity using postage from state funds and send to the District office as requested. All mail outs of at least 10 recipients should be recorded. The log should reflect the date, number of mail pieces, description of the mailing list, and the total cost of postage. Counties will be required to use adequate inventory controls on US Postage Stamps. Districts may limit the purchase amounts and inventory levels.

## INVESTMENT ACCOUNTS

- A. Some county Extension offices maintain various investment accounts for the purposes of accruing earnings on the deposited funds. Scholarship funds are often established and funds deposited into such accounts. Investment accounts may include, but are not necessarily limited to, money market funds, CDs, stocks, mutual funds, etc. The CEC should appoint a Financial Advisory Board to oversee the investing and disbursement of funds in any investment accounts. The purpose of the Financial Advisory Board is to make

## INVENTORY AND SALES PROCEDURES

- A. There should be adequate documentation of items sold to the public (such as Six Flags or White Water tickets, candy, or other items).
1. At the beginning of each year (or season) the number of items purchased or held on consignment should be recorded. At the end of the year (or season) the CEC should reconcile beginning year totals to sales and year end (or season) inventories
  2. For plant sales, the CEC should compare the cost of the plants to the proceeds in order to evaluate financial controls and assess fund raising efforts.
  3. The CEC should take steps to control access to inventory stocks.
  4. The CEC should use the preprinted ticket number to establish a tracking system to monitor Six Flags or White Water admission sales.
  5. County Extension offices must keep accurate records of purchases and use of Project SAFE ammunition and other items. A physical count must be performed once or twice a year. The ammunition and other related assets must be stored in a secure location. Volunteer leaders may track ammunition usage, but the Office must reconcile those records with purchases and the physical count. The unit of measurement should be reasonable, such as shotgun shell cases rather than individual shells.



