GENERAL FUND POLICY GUIDELINES

- All funds managed by county Extension personnel or used for Extension program purposes are required to be secured in federally insured bank accounts (checking, savings, or certificate of deposit). Funds may be maintained in other investment accounts with the knowledge and approval of the District Extension Director.

- County Extension offices may only use one checking account.

- Each county Extension office must record and monitor its financial transactions using the standard computer accounting program which is currently QuickBooks Online.

- Each county office should perform due diligence to separate the following duties: recordkeeping, custody, and authorization of funds. In smaller offices that cannot segregate duties, the CEC must take additional steps to implement effective supervision.

- All county Extension office accounts should be examined annually by a certified public accountant, or the county auditing department, or a qualified county administrator / commissioner, or an approved account reviewer with financial experience and not associated with the office, or a committee of three volunteers with at least one having financial experience. The examination should include an evaluation of internal controls for cash receipts and disbursements and should follow the procedures set forth in the “Annual Tests of Internal Controls and Related Required Reporting for Georgia County Extension Office Accounts” document. The examiner will issue the required report (as prescribed in the above document) which must be filed with the District Extension Director following the yearly examination. A review or audit of the financial statements is not applicable to this examination since it does not test internal controls.

- It is the responsibility of every staff member to report the suspected misuse of funds to the District Extension Director.

- Each month the CEC shall review the checking account balances, revenues, and expenditures with the agent or staff member who is responsible for each program area in the county.
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.”

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.

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 15th of each year.

Federal tax exempt status does not exempt the county 4-H program from paying sales tax. Only purchases processed through the county government or UGA are tax exempt.

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.

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.

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.

CECs should inform the District Office about the lack of economic feasibility of certain county funds policies for their office. They may then propose a more feasible alternative and request an official exemption. The exemption must contain adequate internal controls and not contradict other portions of the county funds policy. A policy is feasible if the office is able to perform it without excess expenses. For example, hiring another employee primarily to meet policy demands would be unfeasible.
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.
   2. A copy of the form should be available to the customer as evidence of payment.
   3. Offices should file the second copy (yellow) securely bound in a book to better control and account for the documents. Copies of deposit slips or deposit listings should be maintained in the book along with the supporting second copies of the receipts.
   4. The receipt should record the following information:
      a. Date of payment
      b. Payee
      c. Dollar amount
      d. Method of payment (cash or check)
      e. Program for which funds were received
      f. Name of the staff member preparing the receipt
   5. Checks should immediately be endorsed “For Deposit Only.” Endorsements should include the county Extension office’s bank account number.

B. Adequately secure and safeguard undeposited cash receipts
   1. Undeposited cash and checks should be transferred to a designated funds custodian. The designated funds custodian can also receive funds directly from the public and process cash receipts by mail.
   2. All transfers of money to the designated funds custodian should be documented by having the custodian initial the file (yellow) copy of the cash receipt form once the funds come into his/her possession.
   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 staffs 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. Undeposited cash and checks cannot be kept with change fund dollars and must be secured in a separate location.
   5. A designated substitute custodian can be appointed to cover extended periods of leave; however, the substitute is required to document the transfer and properly secure funds for which he/she is responsible.
   6. Employees are not allowed to cash personal checks from undeposited funds.
C. Verify to ensure that all funds are deposited
   1. Deposits shall be made at least weekly. More frequent deposits should be considered if undeposited amounts exceed $500.
   2. The designated cash receipt custodian is responsible for preparing deposits.
   3. All deposits must have sufficient documentation noting which checks and/or cash receipt forms were included in deposit balances. The documentation can consist of notations in a bound receipt book, or a listing of each cash receipt form that was included in the deposit.
   4. The County Extension Coordinator (CEC) must periodically verify that all funds turned over or collected by the designated custodian have been deposited. This verification should include an examination of validated deposit slips and the aforementioned documentation noting which checks and/or cash receipt forms were included in deposit balances.

D. Deposits should be timely and accurately recorded in the accounting system
   1. Deposits should be entered to QuickBooks Online on the day the deposit is submitted to the financial institution.
   2. All deposits should be split out to programs and accounts in accordance with deposit details. Recording deposit detail by recipient is encouraged but not required.

CASH EXPENDITURES AND DISBURSEMENT PROCEDURES

E. All expenditures must be pre-approved by the CEC. If the CEC is out of the office, then he must be contacted for approval in a written format. If the CEC cannot be contacted and a purchase must be made immediately, then note that it is an “urgent and unplanned” purchase on the voucher and have the CEC sign it after the fact. Urgent and unplanned purchases should not be normal practice.
   1. To document the approval, a voucher must be prepared that records:
      i. The date
      ii. Check number
      iii. Payee
      iv. Amount
      v. Reason for Payment
   2. The original invoice or receipt should be attached to the voucher form.
   3. The voucher form must be signed by the CEC even if the check was issued and approved by another authorized staff member.
F. All disbursement of funds must be made through a county Extension checking account. Funds withdrawn from savings or other investment accounts must be deposited into a county Extension checking account before it can be distributed.

G. Checks written by county Extension offices that exceed $500 in total amount must have two signatures. At least one of the two signatures must be from an Extension employee home-based in the county named on the account. Any disbursement that is less than $500 or is made payable to an affiliated 4H center may only have one signature.

H. Checks must never be pre-signed. A pre-signed check is defined as “a check where only the signature is present”. A check where every section is filled out except for the amount of the check is not considered a pre-signed check.

I. No checks can be made payable to “Cash.” Checks must be made payable to the person responsible for the money.

J. You may not have a petty cash fund or deduct change fund cash from a deposit. A petty cash fund is a cash fund used for minor expenses.

K. Disbursements should be timely and accurately recorded in the accounting system
   1. Disbursements should be entered to QuickBooks Online on the day the disbursement is remitted.
   2. All disbursements should be split out to programs and accounts in accordance with disbursement details.

L. The County is not allowed to obtain a credit card outside of the credit card preapproved by the state office. This card is limited to certain credit amounts and terms as predetermined by the state office. Any disbursement made by the card should have a receipt and voucher supporting the transaction. The receipts should be maintained and entered into QuickBooks Online on a timely basis in accordance with terms in (K) above.

M. Travel Expenses Paid from County Program Funds
   1. Reimbursement of travel expenses must follow UGA Travel Reimbursement Guidelines. Request should be made on a UGA Travel Expense Statement and attached to check voucher.
   2. Reimbursement of travel expenses associated with professional development training/educational opportunities must be preapproved by the CEC before travel. Any CEC reimbursements for professional development must be preapproved by the DED before travel.
N. 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 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.

O. Advance of Travel Expenses for a Group
1. At the discretion of the CEC, a travel advance may be paid to a staff member 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. It is the responsibility of the employee 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 staff member 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 employee. 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, and a voucher should be filled out when the check is issued.
ACCOUNTABILITY AND RECONCILIATION PROCEDURES

P. 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 transactions should be subsequently edited or deleted after being recorded unless the transaction is voided and voided record is maintained on file. 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.

Q. Offices must print a full report when reconciling the checking account(s) monthly. This full reconciliation will include all checks and deposits which have cleared or are outstanding for the month. The report should then be filed with the bank statement(s) and supporting documentation for the month.

R. The monthly bank and credit card statements must be first given to the CEC, unopened, for review. After his review he must sign the statements, and hand over them to the record keeper for reconciliation. If the office receives electronic statements, then they must be sent only to the CEC. The CEC will then print the statement, review it, and initial it to confirm their review.

S. Offices should reconcile the credit card account (if one exists) to the monthly statement on QuickBooks Online on a monthly basis. The full reconciliation report must be printed and filed with the bank statement and supporting documentation for the month. Copies of the credit card statement must be sent to the district office along with the monthly bank reconciliation.

T. The CEC is responsible for all fiscal accounts in the county and must review bank statements and check balances against “QuickBooks Online” computer printout on a monthly basis. The CEC must also review the credit card reconciliation and statement on a monthly basis.
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.

U. 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 statement to the district office within 30 days of receiving the bank and credit card statements. The CEC must also report any use of missing receipt affidavit forms, urgent and unplanned purchases, and personal use of state approved credit cards.

V. 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.

W. All outstanding checks are to be voided in QuickBooks Online if they are outstanding for over 90 days.

X. 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.

INVESTMENT ACCOUNTS

Y. 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 objective recommendations about investments and disbursements of funds from investment accounts. The decision as to how to invest the funds is ultimately the responsibility of the CEC, but the advice of the Financial Advisory Board should be carefully considered and funds should always be invested in a fiscally responsible manner.

1. The Financial Advisory Board should have a minimum of three members including the CEC.
2. The Board should include individuals with banking, accounting, or investment credentials.
3. At least two of the Financial Advisory Board shall be individuals who are neither Extension employees nor immediate family members of Extension employees.
4. The Financial Advisory Board should meet no less than once per year.
5. Meetings of the Financial Advisory Board should be documented with minutes taken at each meeting. Members of the Financial Advisory Board should sign and approve the minutes. All minutes should be kept for a minimum of seven (7) years.
6. As with all other county Extension accounts, investment accounts should be reviewed or audited annually and a report submitted to the district Extension office.
7. When scholarships are awarded from investment accounts, the following guidelines should be followed:
   i. All scholarships should have a formal application process
   ii. Decision should be based on objective measures of qualification
   iii. A Scholarship Selection Committee is recommended. This committee may be the same as the Financial Advisory Board or may be a separate committee appointed by the CEC.
8. In order to provide a means of tracking disbursements of funds, monetary awards should be in the form of a check. In accordance with cash disbursement guidelines, the funds must be first transferred to the checking account at which point a voucher is prepared and approved and a check can then be written from that account.

INVENTORY AND SALES PROCEDURES

Z. 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.
EQUIPMENT TRACKING AND STORING PROCEDURES

AA. Adequate internal control over equipment requires effective monitoring of its location, use, and accountability to prevent losses.
   1. Offices must store equipment items in secure locations to avoid losses due to missing equipment.
   2. Items either estimated or priced at or above $250 and not inventoried by UGA or the county government, must be assigned internal control numbers and be monitored as to the location and employee assignment to ensure proper usage and disposal of the items.
   3. Offices must inform and provide the district office with a listing of items not inventoried by UGA or the county government for their records from time to time.

This policy was last revised on June 3, 2014

See Appendix A for Annual Review Guidelines

See Appendix B for Management of Program Area Funds
ANNUAL TESTS OF INTERNAL CONTROLS AND RELATED REQUIRED REPORTING FOR GEORGIA COUNTY EXTENSION OFFICE ACCOUNTS

• The University of Georgia Cooperative Extension requires certain internal control procedures to be performed annually on all county Extension office accounts. Certain reporting (as detailed below) is required to be filed with the District Extension Director following the completion of the procedures.

• The required procedures to be performed are stipulated in the enclosed work programs (see section 3) and consist of various inquiries of county staff and testing procedures of internal control policies.

• The procedures may be performed by a certified public accountant, the county auditing department, a qualified county administrator/commissioner, or an approved account reviewer with financial experience. The individual must be considered independent to the county Extension office and should not be a relative of any Extension employee in that county office. The procedures may also be performed by a committee of three volunteers with at least one having financial experience.

  o Procedures that are performed by a Certified Public Accountant (CPA):

    ▪ CPAs offer several levels of service including audit, review, and compilations of financial statements. It is not required for the county Extension office to submit an audited, reviewed, or compiled financial statement.

    ▪ The CPA should follow the standards for an agreed-upon procedures engagement and should issue an “Independent Accountants’ Report on Applying Agreed-Upon Procedures” at the conclusion of the engagement. (See Exhibit 2-1).

    ▪ An agreed-upon procedures engagement is one in which a practitioner is engaged by a client to perform specific procedures and reporting findings. The practitioner does not perform an examination or provide an opinion. Rather, the practitioner reports only procedures and findings.

    ▪ For further guidance, refer to Statement on Standards for Attestation Engagements No. 10, Attestation Standards: Revision and Recodification,

- Procedures that are performed by the county auditing department, a qualified county administrator/commissioner, an approved account reviewer with financial experience, or a committee of three volunteers with at least one having financial experience:
  
  - To accommodate counties with limited income, the Extension Service has approved the use of certain individuals or a committee of volunteers to assist with the annual reporting requirement of the procedures performed on internal controls.
  
  - The individual should be independent of the decision making and financial record keeping functions of the county and should not be related to anyone in the county Extension office.
  
  - The individual should possess financial experience.
  
  - The procedures performed by those who are not a certified public accountant shall be termed an “Internal Control Inspection.” This is to differentiate reporting between the agreed upon procedures report that would be issued by a certified public accountant.
  
  - They will perform the required procedures and issue the enclosed “Report of Procedures and Findings from Internal Control Inspection.” (See Exhibit 2-2). The purpose of the report is only to provide the procedures performed along with any findings resulting from those procedures. The individual should not attempt to include an opinion on internal controls within the report.
INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by <<Insert Name of County >>, solely to assist in satisfying the annual internal control procedures and related reporting required on Georgia county extension office accounts, for the year ended December 31, 20x1. <<Insert Name of County >>’s management is responsible for the internal controls. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

<<Include paragraphs to enumerate the procedures and findings>>

We were not engaged to, and did not; conduct an examination, the objective of which would be the expression of an opinion on the internal controls of <<Insert Name of County >>. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of <<Insert Name of County >> and University of Georgia Cooperative Extension and is not intended to be and should not be used by anyone other than those parties.

<<Firm Signature>>

<<Report Date>>
REPORT ON PROCEDURES AND FINDINGS
FROM INTERNAL CONTROL INSPECTION

We have performed the procedures enumerated below, which were agreed to by <<Insert Name of County>>, solely to assist in satisfying the annual internal control procedures and related reporting required on Georgia county extension office accounts, for the year ended December 31, 20x1. <<Insert Name of County>>’s management is responsible for the internal controls. Our inspection was made in accordance with the required procedures provided by the University of Georgia Cooperative Extension.

Our inspection and this report are not meant to be construed as an agreed upon procedures opinion rendered by a Certified Public Accountant.

During the course of the above inspection, we performed the following procedures and noted the following related findings:

<<Include paragraphs to enumerate the procedures and findings>>

This report is intended solely for the information and use of <<Insert Name of County>> and University of Georgia Cooperative Extension and is not intended to be and should not be used by anyone other than those parties.

<<Firm Signature>>

<<Report Date>>
Counties: _______________________________ Date of Review: _______________________________

This is to certify that the following Fund Accounts (checking, savings, CDs, etc.) have been reviewed for the ____________________ (month/date/year) to ________________ (month/date/year) and found to be in order.

<table>
<thead>
<tr>
<th>Account Name / Number</th>
<th>Checking, Savings, CD, etc.</th>
<th>Names on Signature Card</th>
<th>Account Balance as of:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>______________________</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>date</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>______________________</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>date</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>______________________</td>
</tr>
</tbody>
</table>

Auditor(s) or Reviewer(s):  
Type/print name  Signature  Title  Findings Attached  Yes or No
______________________  ________________________  _______________  Yes or No
______________________  ________________________  _________  Yes or No

Signature of persons authorized to sign any of the accounts:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Received by: ___________________________________  __________________________________

District Extension Director  Date
Exhibit 2-3(a)
COUNTY EXTENSION ACCOUNTS
Annual County Extension Coordinator Statement
(Attach to ANNUAL STATEMENT OF REVIEW)

County: ________________________________  CEC: ________________________________

1. ___Yes ___No   All money is kept in a secured location (locked box/drawer)

2. ___Yes ___No   All receipts (both checks and cash) are recorded in a bound multi-part numbered receipt book?

3. ___Yes ___No   I have routinely reviewed the cash receipt book and deposit slips to ensure that all receipts are identified to a specific bank deposits.

4. ___Yes ___No   I routinely audited or verified supporting documentation on specific expense transactions and deposits. Each expense transaction or deposit reviewed was initialed by me on the monthly reconciliation report sent to the district office. I reviewed documentation for:
   a. All checks issued over $300.00
   b. All checks issued to employees over $100.00
   c. Additionally an average of three expense transactions and one deposit each month.

5. I last filed the annual IRS Tax Report using the ____________ form on ____________.

6. The designated cash custodian in these accounts is ________________________________.

7. If you have investment account(s) please list your Financial Advisor Board membership below and attach a copy of the minutes of your last meeting.
   a. Member:
   b. Member:
   c. Member:

8. ___Yes ___No   I have reviewed the checking account balances, revenues and expenditures with the agent or staff member who is responsible for each program area in the county monthly.

To the best of my knowledge all accounts used by staff or volunteers associated with Cooperative Extension are listed on the associated Statement of Review.

__________________________________     ___________________
### EXHIBIT 3-1

**Cash Receipts and Deposit Annual Tests of Internal Controls Procedures**

<table>
<thead>
<tr>
<th>POLICY REF</th>
<th>SIGNOFF (INITIAL &amp; DATE)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### INQUIRY PROCEDURES:

- Perform the following inquiries of county personnel and document any responses inconsistent with procedures outlined in the county operations county funds policy guidelines:

  - Are all collections recorded on a multi-copy pre-numbered receipt form? **A.1**
  - Is a copy of the receipt provided to the customer as evidence of payment? **A.2**
  - Determine the person who is the designated custodian for cash receipts. **B.1**
  - Inquire of deposit procedures. Verify that the cash custodian is only staff member preparing deposits. **C.2**

#### EXAMINATION PROCEDURES:

- The reviewer has examined the receipt book to ensure that is a securely bound and the deposit slip or listing is maintained along with the supporting second (yellow) copies of receipts. **A.3**
- Examine the receipt book for staff members preparing receipts other than the person identified through inquiry as the cash custodian. If any instances exist, verify that the cash custodian has initialed the cash receipt as later verifying and taking possession of the funds. **B.2/B.4**
- The protected location utilized to secure the funds has been examined and it has been verified that access is restricted to the designated custodian. **B.3**
- A deposit detail report should be generated from QuickBooks Online. A sample of not less than 20% in dollar amount of the total deposits made during the period of the review should be selected at random. The following procedures should be performed:
  - Each deposit selected has supporting record of deposit slip and supporting receipts. The total dollar amount of the supporting receipts is agreed to the total dollar amount per the deposit slip. **C.3**
  - The receipts are reviewed to ensure they are in
Sequential order with no gaps in the numbering. If any gaps in the numbering exist, the missing receipt should be located and traced to timely deposit in the bank within five days.

- It should be verified that each receipt in the sample record the date of payment, payee, dollar amount, method of payment, program for which funds were received, and name of staff member preparing the receipt.
- Review deposit slip to ensure that no personal checks from staff are included in the deposit.
- The selected deposit should be traced to clearing on the bank statement. It should be verified that no more than five business days has lapsed between date on receipts and the clearing of the deposit by the bank.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1</td>
<td></td>
</tr>
<tr>
<td>A.4</td>
<td></td>
</tr>
<tr>
<td>B.5</td>
<td></td>
</tr>
<tr>
<td>C.1</td>
<td></td>
</tr>
</tbody>
</table>

- Examine any checks being held for deposit or copies of check images which may be available to determine that the check is immediately endorsed “For Deposit Only” along with the office’s bank account number.

- Review any documentation of transfer of designated substitute custodian for extended periods of leave if applicable.

- Verify that County Extension Coordinator has prepared and submitted the “Monthly Reconciliation Checking Account Summary/Detail” form indicating his or her independent review of the deposits.

**DOCUMENTATION OF FINDINGS/EXCEPTIONS:**

*Reviewer should document any inconsistencies with county operations county funds policy guidelines that were noted during inquiry procedures as well any findings noted in the examination procedures.*
### EXHIBIT 3-2
Cash Expenditures and Disbursement Annual Tests of Internal Controls Procedures

<table>
<thead>
<tr>
<th>POLICY REF</th>
<th>SIGNOFF (INITIAL &amp; DATE)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INQUIRY PROCEDURES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perform the following inquiries of county personnel and document any responses inconsistent with procedures outlined in the county operations county funds policy guidelines:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Determine the number of bank and investment accounts the county holds. The examination procedures below should encompass all disbursements from all accounts.</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>Determine and document all approved signers on all accounts. Verify which signers reside in the county named on the account.</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>Determine if checks are ever pre-signed for any purpose.</td>
<td>H</td>
<td></td>
</tr>
<tr>
<td><strong>EXAMINATION PROCEDURES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Exam the cancelled check images available with the bank statement to determine if any instances of a check being made payable to “Cash”</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>• A check detail report should be generated from QuickBooks Online. A sample of not less than 20% in dollar amount of the total disbursements made during the period of the review should be selected at random. The following procedures should be performed:</td>
<td>E.1 / E.3</td>
<td></td>
</tr>
<tr>
<td>➢ Each disbursement is supported by a voucher approved by the CEC which documents the date, check number, payee, amount, and reason for payment.</td>
<td>E.2</td>
<td></td>
</tr>
<tr>
<td>➢ Each disbursement is supported by an original invoice or receipt. The payee, amount, and date is verified to agree to the prepared voucher.</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>➢ Each disbursement is made from a county Extension bank account.</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>➢ Each disbursement is traced to the cancelled check image on the county’s bank statement. The payee, amount, and date is verified. It is also verified that two authorized signatures are on the check if the check amount exceeds $500, one of which is a county home based employee.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Determine if any personal travel advances were made during the period of review. If yes, select a sample of not less than 20% in dollar amount of total advances for</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

19 Page
The following procedures should be performed:

- Verify that the advance was paid via a check made payable to the employee and a voucher was completed when the check was issued which was approved by the CEC.
- Verify that any advance was not used to prepay routine travel expenses.
- Trace to the completed expense statement or receipt for expenses submitted within five days of returning from the trip and to prompt repayment of the travel advance upon receiving reimbursement.

**DOCUMENTATION OF FINDINGS/EXCEPTIONS:**

*Reviewer should document any inconsistencies with county operations county funds policy guidelines that were noted during inquiry procedures as well any findings noted in the examination procedures.*

**REVIEWER SIGNOFF & DATE:**
### INQUIRY PROCEDURES:

Perform the following inquiries of county personnel and document any responses inconsistent with procedures outlined in the county operations county funds policy guidelines:

- Verify that the county has utilized QuickBooks Online to record all of the account activity during the period in review.
- Verify that the county has no credit cards other than the preauthorized card as approved by the state office.
- Inquire as to the authorized logins for the program.
- Verify that passwords and accounts are not being “shared” by multiple individuals.

### EXAMINATION PROCEDURES:

- Review the month end bank and credit card statements and reconciliations prepared during the period in review. Perform the following procedures on a sample of not less than half of the months:
  - Verify that the statement ending balance per the reconciliation report agrees to the statement ending balance per the bank or credit card statement.
  - Verify from the date of the reconciliation report that the statement was timely reconciled within thirty days of receiving statement from bank.
  - Verify that there are outstanding checks and/or deposits listed on the statement indicating that the county is not posting only transactions which have cleared the bank rather than all account activity.
  - Verify that the monthly reconciliation checking account summary / detail coversheet was prepared by CEC and remitted to the district office within thirty days of receiving the bank statement.
  - Review for any stale dated deposits or disbursements and investigate any unusual items.
  - Verify the ending cash balance per general ledger on the bank reconciliation detail report agrees to the ending cash balance for the period per QuickBooks online cash ledger.
  - Verify the ending credit card balance per general ledger on the reconciliation detail report agrees to
the ending credit card balance for the period per QuickBooks online credit card account.

- An activity log report should be generated from QuickBooks online for the period in review. The following procedures should be performed:
  - Verify that account access is limited to operating business hours and that no access has been made by a user who has ability to enter transactions after hours.
  - Review for any transactions which may have been deleted or edited after the date of origination. Select a sample of any transactions and review the nature of the item deleted or edited to determine appropriateness.

**DOCUMENTATION OF FINDINGS/EXCEPTIONS:**

* Reviewer should document any inconsistencies with county operations county funds policy guidelines that were noted during inquiry procedures as well any findings noted in the examination procedures.

**REVIEWER SIGNOFF & DATE:**
### EXHIBIT 3-4
Investment Account Annual Tests of Internal Controls Procedures

<table>
<thead>
<tr>
<th>INQUIRY PROCEDURES:</th>
<th>POLICY REF</th>
<th>SIGNOFF (INITIAL &amp; DATE)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perform the following inquiries of county personnel and document any responses inconsistent with procedures outlined in the county operations county funds policy guidelines:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Determine if the county maintains any investment accounts such as money market funds, CDs, stocks, mutual funds, or other. If none, this program is not required to be completed.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Determine whether a Financial Advisory Board is in place and consists of a minimum of three members (including the CEC) and of individuals with banking, accounting, or investment credentials. Also verify that the members of the Board are not Extension employees and are also not immediate family members of Extension employees.</td>
<td></td>
<td>T.1, 2, 3</td>
<td></td>
</tr>
</tbody>
</table>

### EXAMINATION PROCEDURES:

- Review copies of the financial advisory board minutes for meetings held during period in review. Perform the following procedures:
  - Verify that the Financial Advisory Board has met no less than once during the period in review. T.4
  - Verify that the minutes have been signed and approved by all members of the Financial Advisory Board. T.5
  - Verify that the minutes are kept for a minimum of seven years. T.5

- Review any available documentation for scholarships awarded from investment accounts during the period in review. Perform the following procedures:
  - Verify a formal application process is in place and that is decision is made based on objective measures of qualification. T.7
  - Verify that funds were first distributed to the general bank account and the scholarship payment was made via a check with a properly executed and approved voucher. T.8
DOCUMENTATION OF FINDINGS/EXCEPTIONS:

* Reviewer should document any inconsistencies with county operations county funds policy guidelines that were noted during inquiry procedures as well any findings noted in the examination procedures.

REVIEWER SIGNOFF & DATE:
### INQUIRY PROCEDURES:

Perform the following inquiries of county personnel and document any responses inconsistent with procedures outlined in the county operations county funds policy guidelines:

- Determine whether the number of items purchased or held is formally documented as to quantity at the beginning of each year. A review of the county’s inventory ledger should be reviewed for compliance with the county funds policy.
  - U.1

- Inquire as to inventory procedures to control access to inventory
  - U.3

### DOCUMENTATION OF FINDINGS/EXCEPTIONS:

* Reviewer should document any inconsistencies with county operations county funds policy guidelines that were noted during inquiry procedures as well any findings noted in the examination procedures.

### REVIEWER SIGNOFF & DATE:

<table>
<thead>
<tr>
<th>POLICY REF</th>
<th>SIGNOFF (INITIAL &amp; DATE)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**EXHIBIT 3-5**

Inventory and Sales Annual Tests of Internal Controls Procedures
Appendix B

Management of Program Area Funds

The following are guidelines to supplement the County Fund Policy. For additional clarity on these or any guidelines, please seek the advice of your district administration.

ANR, FACS and 4-H program funds may be kept in the same county checking account, but should be accounted for separately. Some funds that are collected may be “designated” for a specific use. Examples include:
- Funds raised through a 4-H fundraiser are usually designated for the purpose of directly supporting 4-H events that benefit the 4-H club members.
- Funds raised or donated for the purpose of supporting a specific 4-H project club (ie. horse club, shotgun team, etc.).
- Funds donated to sponsor a specific agricultural production meeting or FACS program.

There may also be funds in the account that are “undesignated”. These could include:
- Funds collected from registration fees or sponsorships for a particular meeting or training class after all associated costs are paid and funds set aside to support future classes.
- Gifts or contributions that are given with the intent of supporting the general Extension program or a broad program area.

Undesignated funds may be used to directly support Extension programs through the purchase of supplies and materials, equipment (including computer equipment), postage, printing costs, etc. These funds may under certain circumstances be used for professional development opportunities for faculty and staff to include attending professional association meetings, training opportunities or to cover costs associated with certain certification programs. It should be noted that the preferred method of paying for such expenses is from county funds budgeted for the purpose of professional development.

The following criteria should be followed before using undesignated funds for the purpose of professional development:
- Agents and staff must obtain the approval of the CEC.
- CECs who wish to use funds for this purpose must obtain approval from the DED.
- CEC or DED may require submission of an annual budget to ensure that the funds are adequate to cover other program expenses and that there is a plan to maintain an adequate balance in the account.
- Undesignated funds should only be used to support professional development for faculty and staff in the program area (ANR, FACS or 4-H) in which the funds were originally collected.
- If the funds were derived from registration fees from classes or training programs such as ServSafe or School Nutrition classes, the budget should show that sufficient funds are retained to pay expenses associated with future classes.
Note of Caution! – One should never use money raised from 4-H fundraisers for the purpose of paying for professional development for faculty and staff. Be certain that any funds used for this purpose are “undesignated” funds.

In the event that a county agent position in a county becomes vacant and the program (ANR, FACS or 4-H) is discontinued, the program area funds for that particular program shall be maintained in the account for a minimum of three years. If after three years, there are no immediate plans to fill the position and resume the program in that county, the funds may be converted to the general Extension support funds for that county. Any such conversion must receive the approval of the District Extension Director.

Management of Program Area Funds – Revised 10/25/11$