

COUNTY OPERATIONS COUNTY FUNDS POLICY

Revised August 19, 2016

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

GENERAL FUND POLICY GUIDELINES

- A. Extension offices must follow all applicable federal, state, and local laws in addition to the provisions in this policy.
- B. 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.
- C. County Extension offices may only use one checking account.
- D. Each county Extension office must record and monitor its financial transactions using the standard computer accounting program which is currently QuickBooks Online.
- E. Each county Extension 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.
- F. 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.
- G. It is the responsibility of every staff member to report the suspected misuse of funds to the District Extension Director.

- H. 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.
- 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 15th of each year.
- 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. Payment of individual professional dues from county checking account is not allowed. Payment of registration fees or travel for professional development is not allowed unless payment is from unrestricted program funds. Funds raised from fundraisers should not be used for professional development. The only exception is where staff development is one of the documented and transparent goals of the fundraiser. The preferred method of paying professional dues is from your county's budget. Payments to a local chamber of commerce or other dues that benefit the entire office are allowed from program area funds. The voucher for individual professional development expenses must include an accurate record of the source of funds.
- S. Food purchases for a county program should be covered from a registration fee or sponsorship when possible. From time to time it may be appropriate to use unrestricted county funds to purchase food if doing so is critical to the success of your program. 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. 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 voucher. Inappropriate business meals might include monthly staff lunches or "holiday parties". Meals may also be purchased when an unplanned and unusual work schedule does not allow employees to take a meal break for a period of at least four hours. However, it is inappropriate to purchase meals because you failed to plan for an employee meal break. Details describing the unplanned and unusual work schedule must be attached to the voucher to demonstrate the appropriateness of the expense.

- U. 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. If receipting is not feasible at a specific event then you must use another form of documentation that creates an adequate paper trail. Examples include using a cash register, pre-numbered tickets, a separate transaction log, or any other method that creates an adequate paper trail. A receipt with the total collections must be receipted in the office receipt book after the event with the additional documentation kept on file.
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.
6. Cash and check receipts should not be comingled with credit card sales receipts. Credit card sales should be tracked separately from cash and check collections using a credit card transaction log or another form of documentation that creates an adequate paper trail.

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 funds 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

- A. 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. A voucher should be prepared for every disbursement.
 3. The original invoice or receipt should be attached to the voucher form. If payment is made to an individual for services, then the payment for services to non-UGA employees form must be produced and attached to the voucher form.
 4. Disbursements for change funds must include the receipt of the returned funds with the voucher.
 5. Disbursements for refunds must include a copy of the receipts being refunded and a reason for the refund.
 6. Disbursements for awards program expenditures and scholarships must include documentation demonstrating the appropriateness of the expenditure.
 7. The voucher form must be signed by the CEC even if the check was issued and approved by another authorized staff member.
- B. 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.
- C. 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.
- D. 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.

- E. No checks can be made payable to “Cash.” Checks must be made payable to the person responsible for the money.
- F. 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.
- G. Business Expense Reimbursements must be made payable to the individual who incurred the expense. The expense must be preapproved by the CEC with original receipts received prior to approving the reimbursement.
- H. 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.
- I. 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.
- J. Travel Expenses Paid from County Program Funds
 - 1. Reimbursement of travel expenses must follow UGA Travel Reimbursement Guidelines. The 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. The CEC must review travel reimbursements to ensure that the employee is not reimbursed from multiple sources for the same expense. All CEC travel 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.

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 transactions 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 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.

- C. 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.

- D. 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.

- E. 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.
- 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. The CEC must also report any use of missing receipt affidavit forms, urgent and unplanned purchases, and personal use of state approved credit cards.
- 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.

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 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. Investment accounts should be entered into the accounting system, reconciled periodically as appropriate, with the reconciliation and a copy of the statement submitted to the District office upon completion.
8. When scholarships are awarded, 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.
9. 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

- 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.

EQUIPMENT TRACKING AND STORING PROCEDURES

- A. 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 all firearms 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.

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