COUNTY OPERATIONS COUNTY FUNDS POLICY
Revised March 2012

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

- 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.

- The number of checking accounts used by the county Extension office should be limited. For example, there should not be separate checking accounts for various 4-H programs such as Horse, Shooting Sports, and Dairy.

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

- 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. 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.

- 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#). To apply for this number, you will need to complete a form SS-4 and submit it to the Department of the Treasury. 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.

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.

Contributions to an official 4-H organization by individuals, organizations and corporations are deductible as a contribution for federal income tax purposes under Section 170 of the Internal Revenue Code, pursuant to rulings issued April 24, 1946, and February 9, 1973, by the Internal Revenue Service to the U.S. Department of Agriculture.

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.

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 custodian. The designated custodian can also receive funds directly from the public and process cash receipts by mail.
   2. All transfers of money to the designated 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 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.
   4. 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.
   5. 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 approved by the CEC.
   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 approved 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 presigned.

I. No checks can be made payable to “Cash.”

J. 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.

K. 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 (J) above.
L. 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.

M. 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.

N. 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

O. 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 county computer. A personal computer 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.
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.

P. 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.

Q. 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.

R. 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.
S. 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” to the district office within 30 days of receiving the bank and credit card statements.

INVESTMENT ACCOUNTS

T. 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

U. 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.

This policy was last revised on March 1, 2012

See Appendix A for Annual Review Guidelines

See Appendix B for Management of Program Area Funds

See Appendix C for Monthly Reconciliation Checking Account Summary / Detail
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, or a qualified county administrator/commissioner. 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.

  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, as amended by SSAE No. 11, Attest Documentation, and SSAE No. 12,
Procedures that are performed by the county auditing department or a qualified county administrator/commissioner:

- To accommodate counties with limited income, the Extension Service has approved the use of certain individuals 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 a financial background.

- The procedures performed by an individual who is 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.

- The individual 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

I 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. My inspection was made in accordance with the required procedures provided by the University of Georgia Cooperative Extension.

My 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, I 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>>
Exhibit 2-3
COUNTY EXTENSION ACCOUNTS
ANNUAL STATEMENT OF REVIEW

County: ___________________________  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>
</tbody>
</table>

Auditor(s) or Reviewer(s):  

<table>
<thead>
<tr>
<th>Type/print name</th>
<th>Signature</th>
<th>Title</th>
<th>Findings Attached</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Yes or No</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Yes or No</td>
</tr>
</tbody>
</table>

Signature of persons authorized to sign any of the accounts:

________________________________________

________________________________________

________________________________________

Received by: ___________________________  ___________________________

District Extension Director  Date

Revised: August 2010
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.

__________________________________     ___________________
Signature          Date

Revised: August 2010
### 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>
</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. A.1
  - It should be verified that each receipt in the sample record the date of payment, payee, dollar amount, A.4
- 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.

| Method of payment, program for which funds were received, and name of staff member preparing the receipt. |
| B.5 |
| Review deposit slip to ensure that no personal checks from staff are included in the deposit. |
| C.1 |

- 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.

| 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. |
| A.5 |

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

| Review any documentation of transfer of designated substitute custodian for extended periods of leave if applicable. |
| B.4 |

- 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.

| 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. |
| C.4/S |

**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 3-2
**Cash Expenditures and Disbursement 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 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>
<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>
<td></td>
</tr>
<tr>
<td>• Determine if checks are ever pre-signed for any purpose.</td>
<td>H</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXAMINATION PROCEDURES:</td>
<td></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>
<td></td>
</tr>
</tbody>
</table>
| • 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:  
  ➢ Each disbursement is supported by a voucher approved by the CEC which documents the date, check number, payee, amount, and reason for payment.  
  ➢ Each disbursement is supported by an original invoice or receipt. The payee, amount, and date is verified to agree to the prepared voucher.  
  ➢ Each disbursement is made from a county Extension bank account.  
  ➢ 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.  
• 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 further review. The following procedures should be performed: | E.1 / E.3 | E.2 | F | G |
- 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.*
**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</th>
<th>SIGNOFF</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></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>
<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>

<table>
<thead>
<tr>
<th>EXAMINATION PROCEDURES:</th>
<th>POLICY</th>
<th>SIGNOFF</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Review copies of the financial advisory board minutes for meetings held during period in review. Perform the following procedures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ Verify that the Financial Advisory Board has met no less than once during the period in review.</td>
<td></td>
<td>T.4</td>
<td></td>
</tr>
<tr>
<td>➢ Verify that the minutes have been signed and approved by all members of the Financial Advisory Board.</td>
<td></td>
<td>T.5</td>
<td></td>
</tr>
<tr>
<td>➢ Verify that the minutes are kept for a minimum of seven years.</td>
<td></td>
<td>T.5</td>
<td></td>
</tr>
<tr>
<td>• Review any available documentation for scholarships awarded from investment accounts during the period in review. Perform the following procedures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ Verify a formal application process is in place and that is decision is made based on objective measures of qualification.</td>
<td></td>
<td>T.7</td>
<td></td>
</tr>
<tr>
<td>➢ 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.</td>
<td></td>
<td>T.8</td>
<td></td>
</tr>
</tbody>
</table>
* 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 3-5**  
Inventory and Sales 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 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.</td>
<td></td>
<td>U.1</td>
<td></td>
</tr>
<tr>
<td>• Inquire as to inventory procedures to control access to inventory</td>
<td></td>
<td>U.3</td>
<td></td>
</tr>
</tbody>
</table>

**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:**

| REVIEWER SIGNOFF & DATE: | |
|--------------------------| |
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 (i.e., 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
Appendix C

The Monthly Reconciliation Checking Account Summary /Detail form is shown on the next page.

You may download and editable version of this page from the County Operations Website.