

## Guidelines for Receiving and Expending Extension Funds

Refer to **Extension Business Operations [FORMS](#)** page for supporting documentation.

### Receiving funds

- It is preferable that all funds are to be deposited by the appropriate treasurer.
- Detailed receipts for all monies (checks and cash) received should be provided.
- All accounts, funds within accounts and/or budgeted items should be clearly identified for bookkeeping purposes.
- Accounts may have more than one fund and each of those funds must be clearly identified. Funds within accounts may require separate budgets.
- Deposit cash daily when receipt totals exceed \$500. More than one deposit per day is not required. If receipts are less than \$500, deposit may be made at the end of the week.
- Deposit all cash on the last working day of the week regardless of the amount.
- Deposit all cash on the last working day of the month regardless of the amount.
- Keep all cash in amounts less than \$5,000 in a locked safe overnight.
- Do not permit cash to be left in an office overnight, weekend, or month-end without being secured.
- Do not allow blank signed checks to be on hand in the Extension Office.

### Expenditures

- Bills should not be paid by Treasurer without a Request for Reimbursement Voucher and a detailed receipt. Employees must use Request for Reimbursement/Payment form or Concur with detailed receipts attached. Following all related policies and procedures.
- All requests for reimbursement must be submitted to the appropriate Treasurer or through Concur within 30 days after expense is incurred.
- Agents, assistants, office secretaries or other Extension employees should not sign checks or be authorized to sign checks. This is very serious and could result in termination of employment.
- Provide detailed receipts for all monies received within a county.
- Endorse checks immediately with the appropriate name of fund and mark for "Deposit Only".
- Remember that cash includes not only U.S. coins and currency but also cash equivalents such as checks, money orders, traveler's checks, credit card detailed receipts, ACH and wire electronic transactions, foreign funds, and stamps.
- It is recommended that only bonded employees or the appropriate treasurer transport and deposit funds.
- Provide extra security when handling and or transporting extra large sums of cash (have two individuals transport to bank or obtain security guards.)
- Do not permit unauthorized person in areas where cash is handled.
- Never count cash in the view of the public.
- Do not leave cash drawers and cash boxes containing cash unattended.

- Do not leave cash unattended on tops of desk or counters.

### **Accountability Procedures**

- Establish means to report checks written and account fund balances periodically throughout year to agents, District Board and/or County Extension Council.
- Reconciliation of books – options are:
  - Outsourcing of bookkeeping responsibilities to an accounting professional who is bonded according to KRS.
  - Bookkeeping may be done by the County Extension Secretary and the checks signed by the district treasurer (bonded according to KRS).
  - Cancelled checks should be mailed directly from the bank to a 3rd party (non-Extension employee) and that party reconciles the checkbook.
  - It is often recommended that each check have 2 signatures. However, some accountants would question this procedure on the basis that if 2 people sign the check it is easy for each to assume that the other has adequately determined the validity of the expenditure. If only one person signs the check, he or she bears all the responsibility and, therefore, will usually exercise more caution.
- An auditable bookkeeping system should be adopted. Many good, computerized software options are on the market which may be adopted. UK Cooperative Extension utilizes QuickBooks Online as their partnering software.
- Detailed receipts and/or documentation in the form of Memorandums of Agreement, Vouchers, and District Board minutes must be on file to justify all detailed receipts and expenditures.
- Accurate and detailed minutes of District Board meetings are essential for complete audits. For example: if, in the budget, money is set aside in an emergency fund and it becomes necessary to use a part of this money, the board minutes should indicate a vote and for what purpose this change in expenditure was authorized.
- Audits should be performed following KRS 65.065 and/or 65a statues. Copies of audits must be sent to the Area Extension Director and forwarded to the Regional Extension Director. If deficiencies were noted in the audit, they must be addressed and so noted in District Board minutes.
- All volunteer-led groups who have chosen to derive tax exempt status through the District Board will report budgets, financial statements and audits to the District Board yearly. ([See Financial Guidelines for CES Volunteer Groups](#)).