

**WELCOME**

**Iowa Extension Council  
Association Finance Training**

**IOWA STATE UNIVERSITY**  
Extension and Outreach

# Iowa Code

176A.8.2. To serve as an **agency of the state and to manage** and transact all of the business and affairs of its district and have control of all of the property acquired by it and necessary for the conduct of the business of the district for the purposes of this chapter.



# Iowa Code and Our Budget

- **176A.8.6.** To prepare annually before March 15 a budget for the fiscal year beginning July 1 and ending the following June 30, in accordance with the provisions of Chapter 24 and certify the same to the Board of Supervisors of the county of their Extension District as required by law.
- **176A.8.12** To expend the “county agricultural extension education fund” for salaries and travel, expense of personnel, rental, office supplies, equipment, communications, office facilities and services and in payment of such other items as shall be necessary to carry out the extension district program....
- **Iowa Code Chapter 24** centers on development of local budgets.
- Specific links pertaining to [Iowa Code](#) and budgets.

# Our Fiscal Policy - Section 2.3



Public funds, as defined in Iowa Code Chapter 12C.1, are those funds owned by a public entity such as a county extension district. This includes both **tax and non-tax monies**.



All monies generated by users of the district entity are **owned** by the district, not the user, and are under the **control** of the local extension council.



[Fiscal Policy and Procedures](#)

# Our Fiscal Policy – Public Funds

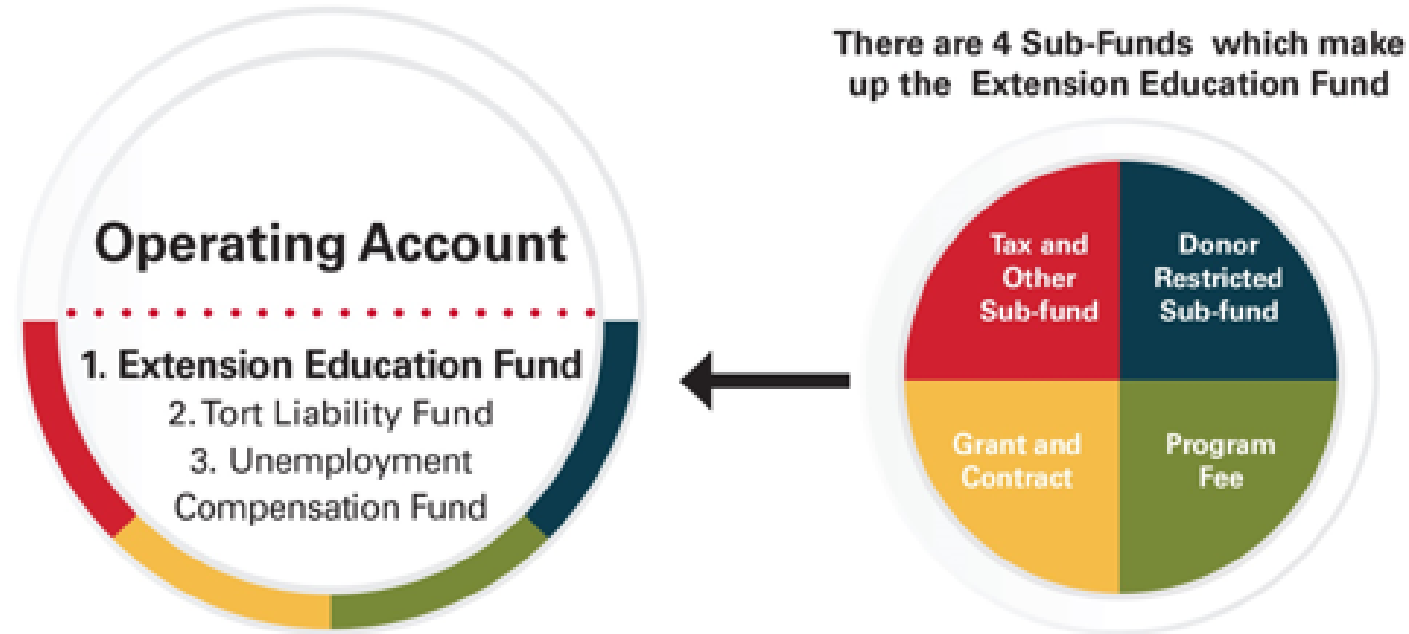


All public funds are the **legal responsibility** of the extension council. Legal responsibility assigned by law cannot be transferred by extension council action.



What is meant by council action?

# Fund Accounting 101



Agency Account is completely separate from the Operating Account, with its own checking account.

# Extension Law Taxation Caps FY 23 & 24

## The Double Cap Issue

2020 Census Population	Dollar Cap Increases Each Year	Levy Rate	FY2023	FY2024
Less than 30,000	6,000	.3000	\$267,000	\$273,000
30,000-49,999	7,000	.2025	\$314,000	\$321,000
50,000-89,999	9,000	.1350	\$400,500	\$409,500
90,000-199,999	15,000	.1350	\$630,000	\$645,000
More than 200,000	25,000	.0500	\$950,000	\$975,000

# Timing of Tax Receipts

	<b>Average</b>	<b>Range in %</b>	<b>Conservative Budgeting Suggests</b>
July	0.6%	.3 to .8	don't plan on any
August	0.1%	0 to .7	don't plan on any
September	4.5%	.6 to 7.6	1%
<b>October</b>	<b>39.0%</b>	36.0 to 41.8	35%
November	6.2%	3.8 to 9.1	4%
December	2.2%	1.5 to 2.9	1%
January	0.7%	.6 to .9	1%
February	0.5%	.5 to .7	don't plan on any
March	2.4%	2.1 to 2.9	2%
<b>April</b>	<b>37.9%</b>	36.0 to 38.6	36%
May	5.0%	4.0 to 7.5	4%
June	0.8%	.7 to 1.0	balance



# Tax Sub-fund Expenses – FY22

## District Expenses Percent of Tax Sub-Fund Revenue

	Mean	Median	Maximum	Minimum	Standard Deviation
Personnel Expense	70.9%	71.6%	109%	44%	12.4%
Facility Expense	10.2%	8.7%	42%	0%	6.3%
General Office Expense	11.5%	12.1%	24%	7%	3.8%
Non-Fee Expense	3.8%	1.3%	23%	0%	4.3%
Residual	3.6%	4.1%	24%	-35%	10.7%

# Non-Fee Project Activity

On the previous slide, non-fee expenses averaged 3.8%. This expense comes directly from the tax sub-fund revenues.



What does non-fee project activity mean?



How is this type of expense tracked?



Why is this expense important?

# Iowa Code Chapter 176A.9.4

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Pertaining to **fee program, grants, contracts, donations:**

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The extension council may collect reasonable fees and may seek and receive grants, donations, gifts, bequests, or other moneys from public and private sources to be used for the purposes set forth in this section and may enter into contracts to provide educational services.

# Program Fee Sub-fund

Dollars generated by “users” of fee-based programs. Fees for service are used to offset direct expenses of programs. Staff, volunteer and program driven. Total program fees generated in FY22 \$8,923,369

*“The fees for service will be used to offset direct expenses and to support the (insert program area - Human Sciences, 4-H Youth Development, Community and Economic Development, Agriculture and Natural Resources\*) County Extension Program.”*

**Statement is required when fees are collected for specific programs.**



## State Averages by County Population

Category A (78)	\$87,052	Under 30,000
Category B (11)	\$65,609	30,000-49,999
Category C (3)	\$76,824	50,000-89,999
Category D (6)	\$141,933	90,000-199,999
Category E (2)	\$164,925	200,000 & Up

# Use of Program Fee Sub-fund

Indirect expenses paid from the tax sub-fund (which could include expenses such as wages, benefits, travel, postage, resale, telecommunications, insurance, and so on) shall not be paid from fee-program revenue **unless the extension council takes specific actions to the contrary.**

**This action must appear in the council minutes.**

From Fiscal Policy 2023, page 5, item 3

# Grant/Contracts Sub-fund

Funds received from private and public sources. These are restricted use funds. Staff project/program driven. Total grants/contracts in FY22 \$3,948,471.



## State Averages by County Population

Category A (78)	\$25,643	Under 30,000
Category B (11)	\$57,092	30,000-49,999
Category C (3)	\$146,125	50,000-89,999
Category D (6)	\$106,144	90,000-199,999
Category E (2)	\$122,532	200,000 & Up

Restricted use funds per the grant or contract.

# Donor Restricted Sub-fund

- Seldom used but available when a donor designates a purpose for the use of funds provided.
- Must be specific purpose, not part of normal operations and signed document with direction.



# Tying It All Together...

Tax Sub-Fund Receipts (Property Tax, Resale, Interest, Other)

- Tax Sub-Fund Expenses (Personnel, Operations, Equipment, etc)

**Net Tax Sub-Fund Balance**

Program Fee Revenue (Collected Receipts from programming)

- Program Fee Expenses (Expenses for cost of program delivery)

**Net Program Fee Sub-Fund Balance**

Grant & Contract Revenue

- Grant & Contract Expense

**Net Grant & Contract Sub-Fund Balance**



# Tying It All Together....

**Net Tax Sub-Fund Balance**



**Net Program Fee Sub-Fund Balance**

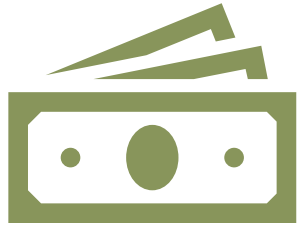


**Net Grant & Contract Sub-Fund Balance**

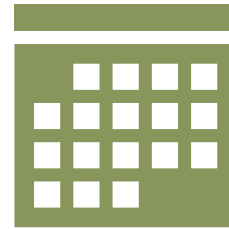


**Extension Education Fund Balance**

# Determining Budget Health



**How do I determine the health of a district budget?**



**Start with this rule of thumb:**

Carry the minimum equivalent of 3 - 4 months of the average tax sub-fund expenses into the next fiscal year. Many carry 5 months of revenue with 40 plus districts owning their facility. Ownership is growing.

# Carryover Analysis



The extension district may carryover in the tax sub-fund up to 50% of the that year's tax sub-fund expenditures.



How many districts had a carryover issue in FY22? What actions may they take?

# Tort and Unemployment Sub-funds

- Districts qualify for the funding when \$ or mil rate caps are reached
- Resources are restricted for use for in these expense lines including carryover
- Expense lines can be negative at year end for these two sub-funds; if negative balance, levy funds in next cycle
- Tort sub-fund covers General & Excess Liability, Auto, D&O, Professional, Background Checks, Accident Medical & Employee Dishonest



**THANK YOU!**

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