

2021 Fiscal Policy and Management

County Services
Directors of Field Operations

Training Agenda – Session 2

- Review – policy, fund accounting
- Extension Revenues
- General Budget Activity
- Extension Expenses
- Voucher Activity
- Carryover and Amendments
- Determining Health of Budget
- Annual Audit & Oversight
- Q & A

YOUR Fiscal Policy

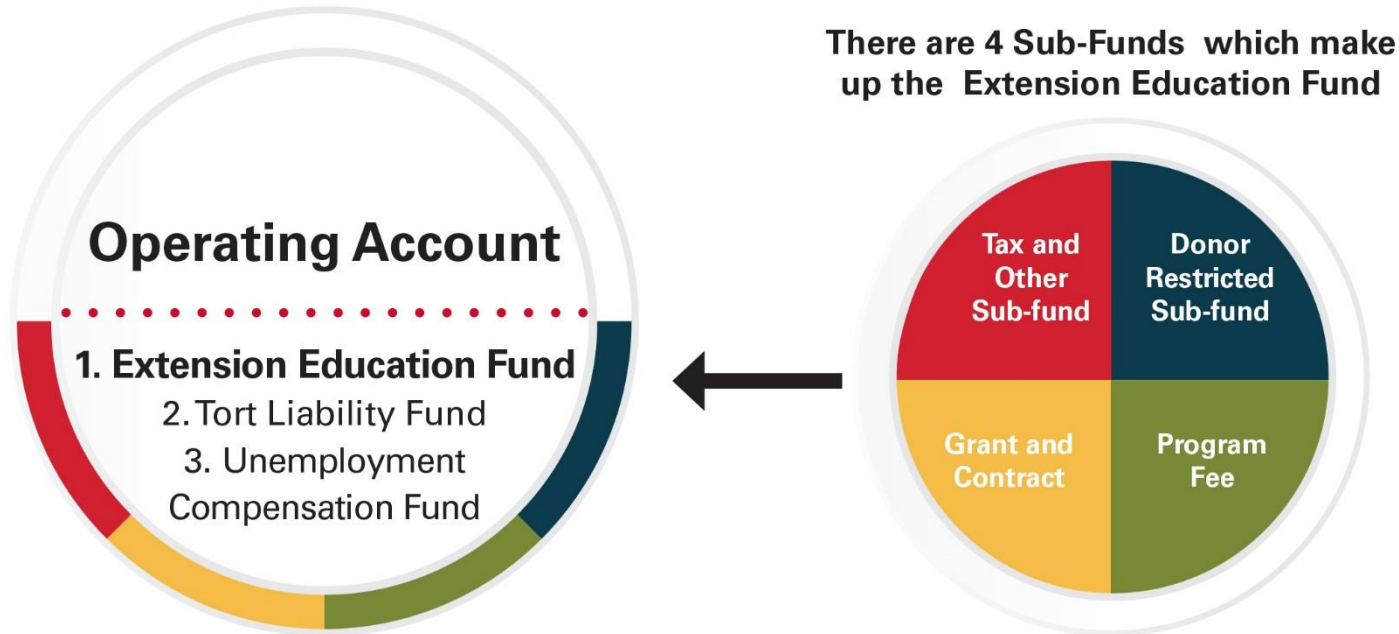


All public funds have the same legal requirements for accounting, reporting, auditing, proper signatures, segregation of duties, publishing, bonding, investing and uniform financial accounting procedures.



[Fiscal Policy and Procedures](#)

Fund Accounting 101

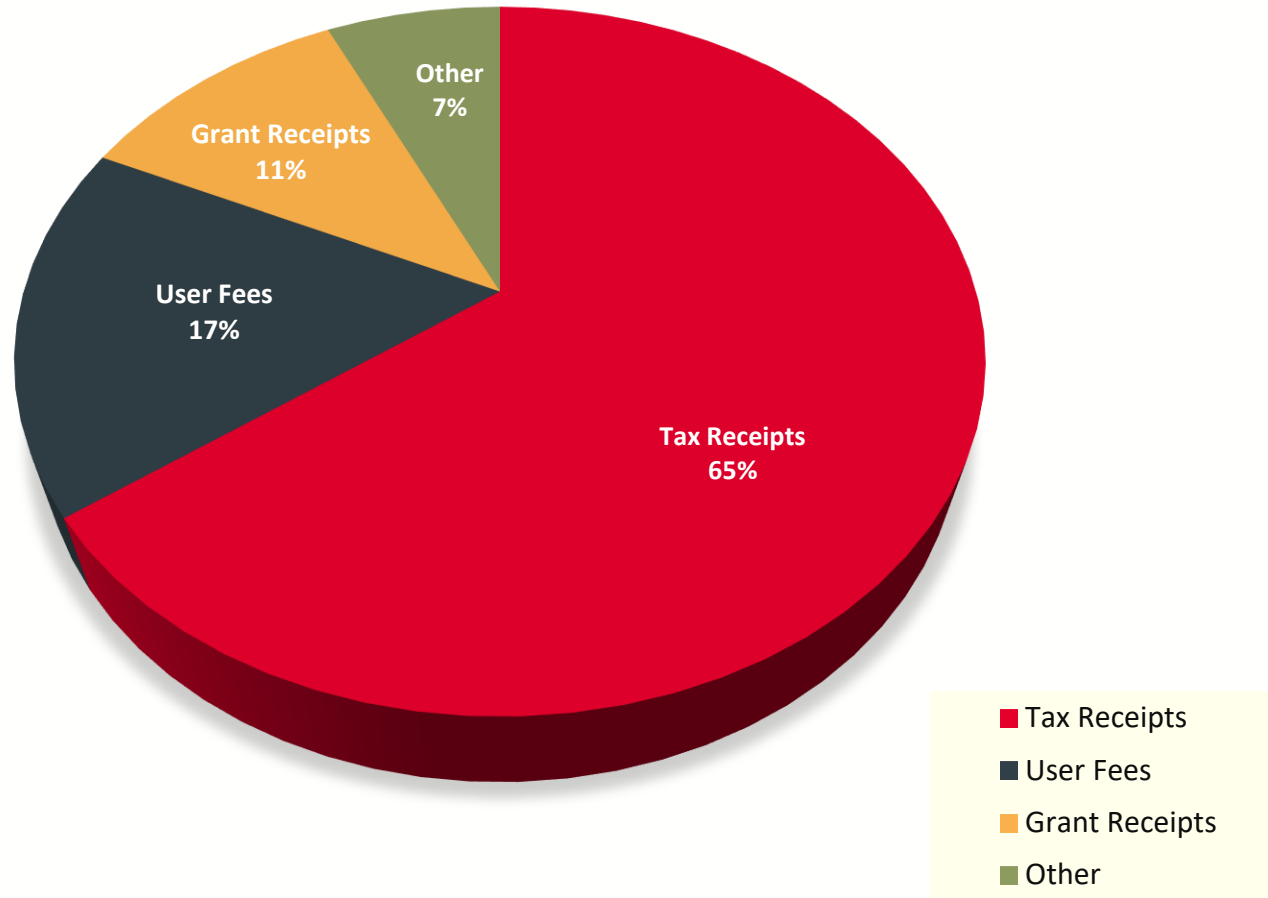


Agency Account is completely separate from the Operating Account, with its own checking account. In FY20, eleven counties maintained an Agency Fund

Revenues -- Actuals FYE 2020

	Total County Services	Median	Maximum	Minimum
Total Tax Revenue	65%	70.1%	95%	28%
Other Revenue	7%	1.2%	12%	0%
Program Fee Revenue	17%	18.6%	66%	3%
Grant & Contract Revenue	11%	4.1%	61%	0%
Total Revenue all Sources	100.0%	100.0%	100%	100%

County Revenue Sources 2020

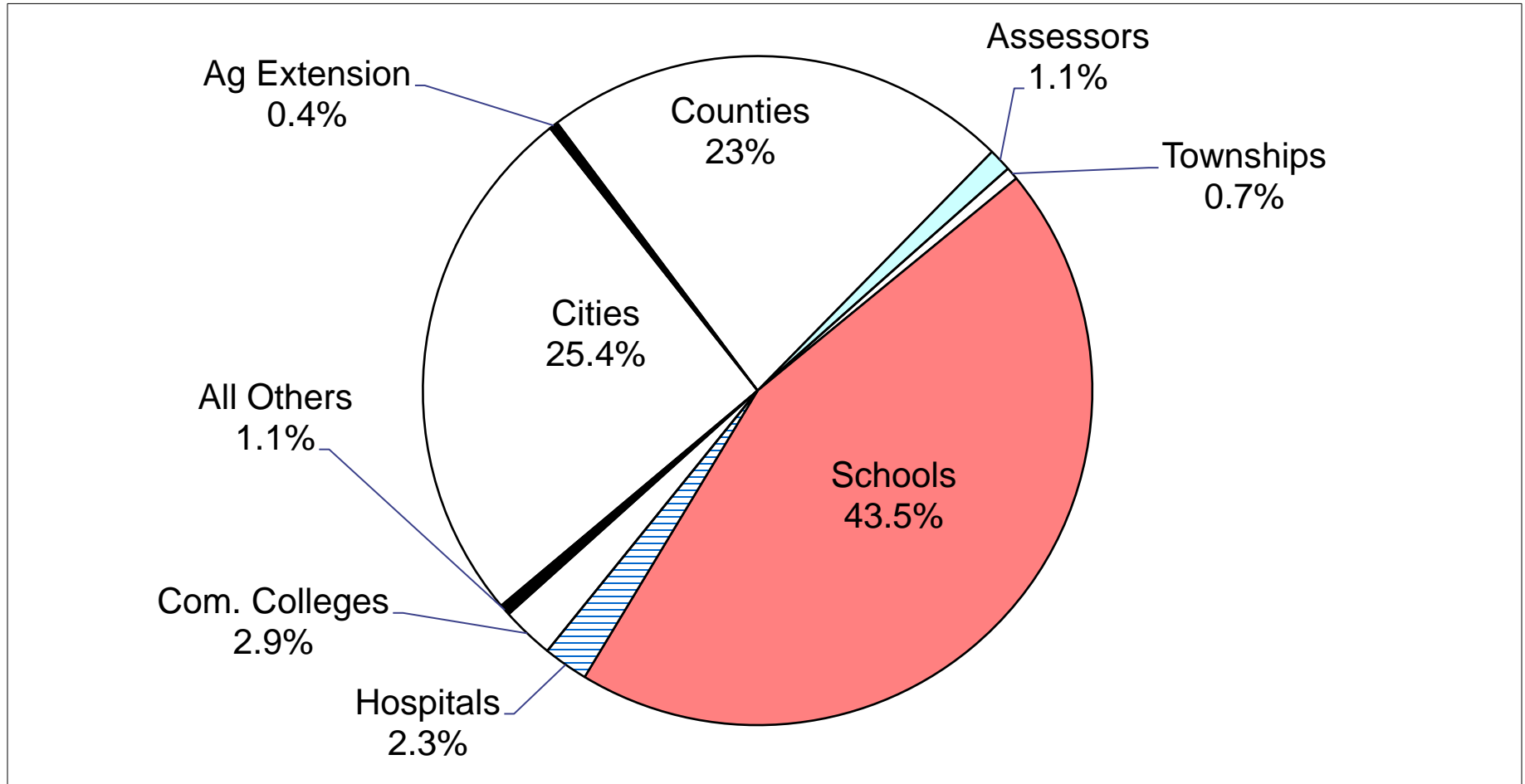


Source: Microsoft GP Accounting System

Summary on Tax Revenues

- 71 counties levy 100% for Extension Education fund ***either at the dollar cap or mil levy cap; of these 47 are limited by the mil levy cap.***
 - 58 counties levy Tort Liability funds (\$323,928)
 - 18 counties levy Unemployment funds (\$192,401)
- In total, 100 districts levy \$24,975,768 in operating funds.
- \$844,824 in additional operating funds could be levied by the 29 counties that do not levy at the maximum.

Iowa Property Tax by Taxing Authority



FY20/21 = \$6.468 billion (Jeff Robinson, Iowa Legislature Fiscal Services)

“Tax” Sub-fund Expenses

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%

Note: Tax & other sub-fund includes interest, rental, resale, and tax levy

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?



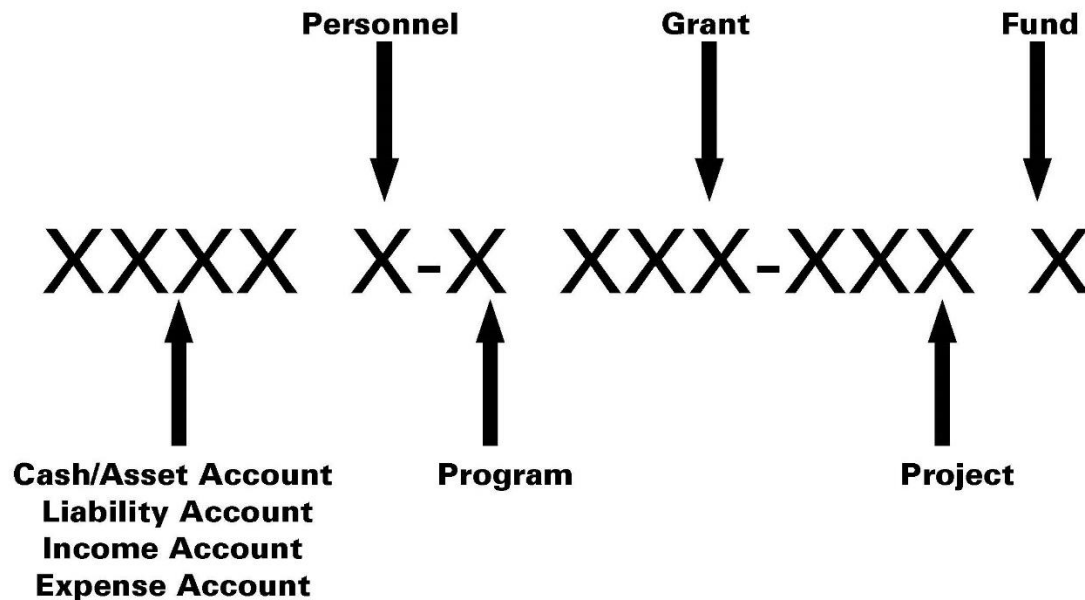
Why is this expense important?

Note: Tax & other sub-fund includes interest, rental, resale, and tax levy

3A-GP Financial Chart of Accounts

Chart of Accounts Summary

County Accounting Software



Microsoft GP
and
[MyExtension –
Bookkeeper
Information](#)

5719-0-1-000-101-2 Ag Fee Exp – PPAT

5000-3-0-000-000-1 Payroll - Office Assistants

Voucher Report - Activity #1

Two versions of the voucher (detail and summary)

- What is the range of check numbers?
- In the “Multi” column, what does the “M” mean?
- What does the DD check# mean in the summary report?
- Why is there a reconciliation adjustment?
- For what was check #27613 written, check #5008?
- The EFT transactions are for _____.
- How many deposits did we record? Amount of tax deposit is \$_____.
- For check #7639, how many transactions are included?

Reading Revenue & Expense Report

- What was the Extension Education Fund beginning balance for the month?
- How much tax revenue has the district received year-to-date (YTD)?
- What percentage of program fee funds have been received?
- What is the amount spent on equipment for the year? How much is left to spend?
- What was the facility expense for this report time period?
- What was budgeted for expenditures related to grant fund expenses for the fiscal year?
- What was the ending fund balance for the tax sub-fund?
- How much did the county budget to expense/spend during this fiscal year?

Carryover - Iowa Code Ch. 176A.8.13

To carry over unexpended county agricultural extension education funds into the next year so funds will be available to carry on the programs until such time as moneys received from taxes are collected.

However, the unencumbered funds in the county, in excess of one-half the amount expended from the fund in the previous year shall be paid over to the county treasurer.

Budget Carryover Activity #2



Does this county have a carryover problem?



Using the Balance Sheet and Revenue & Expense Summary through March 31, 2020, what would you advise?



What circumstances would cause a carryover issue?

Amending Current Year Budget

The public hearing and [Budget Amendment Process](#) MUST be completed and filed before your expenses exceed the budget limit that was previously approved.

Districts have until May 31 of the current budget year to hold a public hearing and file the amended budget documents.

The hearing notice must be published 10-20 days before the date of the hearing.

In FY20, 11 districts amended their budgets.

Budget Amendment – Activity #3



Using the Revenue and Expense Report provided, determine how much the county would need to amend/increase the gross expenditures in order to stay within fiscal guidelines.

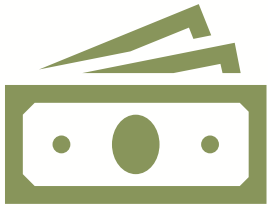


What may be some reasons that would cause/require a district to amend its budget?

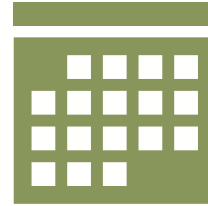


When is the last possible date to publish the hearing notice?
When does the amendment paperwork need to be filed?

Determining Budget Health



How do I determine the health of a district budget?



Start with this rule of thumb:

Carry the equivalent of 3 - 4 months of the average tax sub-fund revenue into the next fiscal year.

What is needed for an AUDIT?

- Receipt books, deposit slips.
- All bank statements, voucher reports, invoices
- Financial reports-month end (X12)
- Proof of publication-public hearing and year end
- All year end reports
- Proof of bonding (treasurer/dishonesty)
- Proof of filings w/auditor and treasurer
- Certificate of organization
- Fiscal policy and all minutes (signed!)
- IDOM forms, budget template
- Full disclosure and access to staff for questions.....

Budget

Summary

- Taxation revenue source – what to monitor
 - Rule of Thumb: Carry 3-4 months of tax revenue in sub-fund
- Non-taxation revenue sources – closer examination
 - Can these support infrastructure needs periodically?
- Expenses to purposely manage:
 - Human resources – increased skill development of our:
 - Educators/associate educators
 - Support staff
 - Management and leadership teams
 - Facilities

Continue to improve all our **systems** impacting field operation!

County Services Finance Resources

- County Services Website – County Finance
 - Fiscal Resources
 - [C.S.5.28.2020.Fiscal Policy and Procedures](#)
 - [Guidance for Support or Donations](#)
 - [Charitable Contributions to Government Offices](#)
 - Budget Resources
 - [Budget Instructions](#)
 - [Budget Amendment Process](#)
 - [Budget Timelines](#)
 - [County Agricultural Extension District Tax Asking Limits](#)
 - [Carryover Analysis Spreadsheet](#)
- MyExtension - Bookkeeper Resources
- MyExtension – County Insurance
 - County Insurance Costs FY21
 - FY2021 Insurance Fact Sheet

THANK YOU

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