

## **Money, Money, Money!**

### **Why Are We Making Changes?**

1. Federal mandate for oversight of 4-H programs
2. State regulations & increased public scrutiny
3. Need for consistency in management and accounting across state
4. Master Gardeners and 4-H youth are key groups within UACES
5. Liability and Risk Reduction

### **Types of Bank Accounts**

1. County Depository Accounts
  - a. Local bank accounts for the County Extension Office.
  - b. Used to make deposits of funds collected at the local level in support of CES activities/programs.
  - c. Checks are written by the county office and signed by Staff Chair.
2. Group Bank Accounts
  - a. Local bank accounts managed by a county Master Gardener group
  - b. Used to collect small donations and proceeds of fund raising events
  - c. Used to support small purchases to facilitate the operations of the MG program without having to get a CES check for every minor expenditure

### **Where can money be housed?**

1. County Depository Account –extension office—checks written by staff chair.
2. Private Checking Account – checks written by MG treasurer
3. ADC Account in Fayetteville
4. Grant funds are housed at the state extension office, --expenses can be paid with county p-card or by requisition - checks written by financial services

### **Types of Revenue**

1. Programmatic Revenue (Public)
  - a. Connected to an educational program event or activity
  - b. Registration fees
  - c. Collections to pay for supplies or educational events

- d. Part of delivering the MG program, even if organized and/or administered by volunteers
- e. MUST go in County Depository Account

### **Types of Revenue**

- 2. Non-programmatic Revenue (Private)
  - a. Gifts (with no direct benefit to the donor)
  - b. Proceeds of *purely* fundraising activities
  - c. Money collected for *purely* social events
  - d. Dues and t-shirt sales
  - e. Can go in private checking account or CES Depository Account

### **Types of Revenue are**

- 1. Public or Private
- 2. Advanced MG Program- Public
- 3. Plant Sale - Private

### **Programmatic Funds (Public)**

- 1. *Connected to a MG Educational Event or Activity*
  - a. Deposit in County Depository Account or LRSO
  - b. Spend according to state laws
  - c. Manage and report according to UACES policies
  - d. Receipt from official UACES triplicate receipt book

### **Non-Programmatic Funds - Private**

- 1. Funds generated by activities NOT related to the delivery of CES programs, i.e. fundraising/social activities
- 2. May be deposited in local Group Bank Accounts or County Depository Accounts
- 3. Managed and reported according to UACES financial guidelines

### **Expenses from County Depository Accounts**

- 1. Registration fees
- 2. Master Gardener Leadership Conference
- 3. Payment of college scholarships
- 4. Any individually large expenditures
- 5. Any expenditure requiring a signed contract

### **MG Bank Account Thresholds?**

- 1. **Revenue Thresholds**
  - a. \$5,000 per Activity / \$10,000 Annually

## 2. Asset Thresholds

- a. \$5,000 Cash / \$10,000 Total Assets

### Why Account Thresholds?

1. Group funds are
  - a. Handled by volunteers
  - b. Are not subject to normal control
  - c. Not recorded in Banner (must meet materiality test)
  - d. There are ~ 900 clubs/groups

*Note: Groups/Clubs with revenue/assets above these amounts may be reviewed by Associate Director for Finance and Administration to ensure compliance with these guidelines*

### Programmatic—Public funds

1. IZARD County Event
2. Nevada – A time to till

### Grants & Contracts/Signing contracts/ grants

1. For CES, that authority has been delegated to *Dr. Windham & Dr. Prewett*
2. This includes authority to review, approve, and sign all
  - a. Applications for grants
  - b. Contracts for buses, rental facilities, etc.
  - c. Includes United Way & Community Foundations grants

**If you sign a contract, grant application, etc., you may be taking *personal responsibility* for anything that goes wrong!**

### Contracting Authority

1. Includes authority to review, approve, and sign all
  - a. *Applications* for grants
  - b. *Contracts* for grants
  - c. Purchase agreements
  - d. Letters of support
  - e. Etc.

**... *Even if no money changes hands!!***

### Grants and Scholarships

1. Grant
  - a. May be charitable or may be guided by a specific protocol or performance expectations
2. Sponsorships

- a. Generally are gifts, but no always.

## **For Grant Applications - Finance 312**

### **Grants & Contracts Documents**

1. Do not use (or let others use) the Extension EIN without permission.
2. Agents and Volunteers CANNOT Sign!
3. When unsure whether gift or grant, complete Finance 312 and check with state office
4. Questions or reporting related to gifts should be directed to *developmentoffice@uaex.edu*

### **Examples Include:**

1. United Way
2. Monsanto
3. Community Foundations
4. Greening of Arkansas
5. Walmart Foundation

### **Grant Proceeds**

1. All money received from grants must come to the state office
2. *Checks must be made out in the name of CES*
3. A grant Fund # will be issued, so you can still spend the money, but with better tracking

**Remember: Funds raised in the name of MG must be expended on MG.**

### **Plant sales**

1. If only MG are selling, and you do no more than 3 sales per year
2. NO SALES TAX needed
3. If you have 1 or more outside vendors, all must pay sales tax.

### **Sales Tax on Purchases**

1. All purchases made by MG Groups must include the payment of appropriate sales tax unless the items are to be resold to the public
  - a. For these items, sales tax will be collected from the buyer

### **Sales Tax & Special Events/Reporting Sales Tax**

1. If collecting sales tax, work with your county office.
2. County office will send report and check to state office

***Note: Sales of tangible property/concessions at county fairs are exempt from state sales tax per Arkansas Gross Receipts Regulation GR-39***

## **\*\*Special Events have different procedures**

### **What is a Special Event?**

1. *An event that “occurs at a single location on an irregular basis and where tangible personal property is sold”*
  - a. If CES organizes the event and has an outside vendor (even just one) selling items, DF&A requires collection of sales tax, even from the hosting (4-H/MG) club or group
  - b. If only MG groups *and/or* 4-H clubs are participating (no outside vendors) – no special tax treatment is required
  - c. If MG group or 4-H clubs are a PARTICIPATING vendor – Sales tax on items sold should be collected and remitted to the organizer (If given a form to fill out)

### **Special Event Procedures**

1. Staff Chair completes MISC 377 & emails to Director of FS at least 15 business days before the event
2. FS Director contacts DF&A - COUNTY PERSONNEL AND VOLUNTERS ARE NOT AUTHORIZED TO CONTACT DF&A DIRECTLY
3. DF&A mails the Special Event packet to the Staff Chair
4. Staff Chair or designee distributes the daily vendor reporting forms and envelopes to each vendor, including MG group or 4-H club

### **Special Event Template/Special Event Procedures**

5. The Staff Chair or designee should have the vendor sign the Special Events Vendor Log (Template MISC 378)
6. Each vendor, including MG group or 4-H club, should submit their Daily Tax Report Schedule form in a sealed envelope (provided) and initial the Vendor Log
7. If a vendor fails to submit the daily reporting form, the refusal should be noted on the Vendor Log
8. The sealed vendor envelopes and a copy of the Special Event Vendor Log should be mailed to DFA in the postage paid envelope as soon as possible
9. The Staff Chair should keep the original Special Event Vendor Log for his/her files

### **Tax forms**

1. DFA will mail a packet to staff chair which will have instructions
2. Forms must be passed out daily to all vendors
3. Collected at the end of the day with money if they are turning it in.

### **If you are a vendor**

1. Take a picture with your phone or camera so you have a copy!

**Note: We do not force vendors to complete the Daily Tax Report or to submit sales taxes. We are also not responsible for counting the money or calculating the appropriate sales tax**

### **Sales Tax on Sales**

1. Sales of goods or services to the public require the collection of sales tax unless LRSO directs differently – see table
2. Volume sales are NOT exempt from sales tax

### **Gift Reporting**

1. All donors should receive a thank you note (no matter the size of their gift)
2. Common courtesy to donor
3. *If you were the donor, this would be something that you would want*
4. Donations of \$250 or more must be reported and deposited in County Depository account – even if no receipt is requested  
Special IRS rules apply

### **Cash Gifts Less than \$250**

1. Tax receipt requested - must be deposited into a UACES bank account and reported to Development Office
2. Tax receipt not requested - can be deposited into UACES bank account or a group bank account

### **Cash Gifts More than \$250**

1. Mail to UACES Development Office:
  - a. One copy of check(s)
  - b. Letter from donor or other communication
  - c. Solicitation letter, proposal, etc.
  - d. MUST be deposited in County Depository Account.

### **Non-Cash Gifts**

1. Tangible items that are directly used or consumed in a sanctioned project or educational outreach effort
2. Includes plants, seed, soil, food, supplies and equipment, books or other printed resources, etc.
3. For these guidelines, non-cash gifts also include capital gifts such as equipment, buildings, and real estate

### **Disclosure Form for Cash and Non-Cash Gifts (MISC 400)**

1. Complete as much information as possible
2. Non-cash gifts need a FMV (can ask donor for value)
3. Include:
  - a. Copy of check

- b. If cash, then copy of receipt and/or deposit slip
  - c. Copy of letter or communication from donor
  - d. Solicitation letter, proposal, etc.
4. Email to [DevelopmentOffice@uaex.edu](mailto:DevelopmentOffice@uaex.edu) or fax to 501-671-2300

### **Raffles – State Rules**

1. Raffle tickets may be sold:
  - a. At the authorized premises of the licensed organization or
  - b. Off the authorized premises if the tickets are sold by uncompensated volunteers of the organization
  - c. No raffle ticket shall be sold through the mail or through the internet, e-mail, fax, telephone or any other remote or electronic means

### **Raffles – CES Rules**

1. Failure to report timely and accurately causes the state report to be inaccurate and jeopardizes the raffle license for the entire organization
2. If you don't submit your completed, accurate raffle report by ***May 15***, your county could lose raffle privileges for one year

### **End of Year Reporting**

1. Master Gardener Reports are due in March 31
2. Reporting from Jan - December

<http://www.uaex.edu/yard-garden/master-gardeners/resources.aspx>

### **End of Year Financial Reports**

1. End-of-year financial reports are to report transactions processed through the group's **private** bank account
2. Do not include any transactions processed through the county depository or any other bank account or any account balances for those accounts.

### **What is Required?**

1. For all groups **with a private bank account**, the following reports are required:
  - a. Statement of Income and Expenses
  - b. Statement of Financial Position
  - c. Annual Group Property-Inventory Report
  - d. Peer Review of Group Financial Records: Cover
  - e. Peer Review of Group Financial Records: Report
  - f. Copy of bank statement for the period end

## Tips for Year End Reports

1. Peer Review
2. Inventory
3. EIN
4. Appropriate Signatures

*Note: Groups with no Local Checking Account still need to Report*

## **For all groups *without a private bank account*, the following reports are required**

1. Statement of Financial Position
2. Annual Group Property-Inventory Report

## **Excel Forms vs. Printable Version (PDF)**

1. There are two versions of the following forms on the Information for Clubs web page
  - a. Statement of Income and Expenses
  - b. Statement of Financial Position
  - c. Annual Group Property-Inventory Report
2. You can use the Excel forms which include formulas to calculate many of the totals for you.
3. Or if you prefer to print out the forms and write in the information and totals, you can use the PDF version.

## **Financial Reporting Period**

1. Active Master Gardeners programs are to report from January 1<sup>st</sup> through December 31<sup>st</sup> each year.
2. Due into the state office March 31<sup>st</sup>

## **Due Dates and Where to Send**

1. You must complete, sign, and date the end-of-year financial reports within a reasonable amount of time after the end of the financial reporting period and send them to the staff chair at the county Extension office for review.
2. Reports are due within **90 days of the end of the financial reporting period** from the staff chair to the Associate Director for Finance and Administration.
3. MG – Reports are due at the LRSO by March 31<sup>st</sup>

## **Statement of Financial Position**

1. The Statement of Financial Position is a “snapshot” of the group’s financial position at a specific point in time, i.e., on the **last day** of the financial reporting period.
2. Master Gardeners - December 31st

### **Annual Group Property-Inventory Report**

1. The Annual Group Property-Inventory Report is to record all individual inventory or equipment items valued at \$500.00 or more.
2. Active groups that do not have any equipment or inventory meeting the above criteria are still required to submit a report.
3. **Do not** submit a blank report. Write or type “no inventory” or “zero inventory” under the Item Description, sign and date the form.

### **Peer Review of Group Financial Records/Guidelines for the Peer Review Committee**

1. The Peer Review Committee should be composed of **at least two members**.
2. The purpose is to review the accounting records and financial statements prepared by the treasurer for accuracy and reasonableness.
3. Committee members **should not include** the treasurer, anyone related to the treasurer or anyone who signs checks, approves expenditures or is involved in any way in the financial affairs of the group.
4. Once completed, sign, date, and forward the required end-of-year financial reports to the staff chair at the county Extension office.
5. The staff chair will review and, once approved, will sign the reports and send them to the LRSO at the following address:

Associate Director for Finance and Administration  
U of A – Division of Agriculture  
Cooperative Extension Service  
2301 South University Avenue  
Little Rock, AR 72204

6. Due NO LATER than March 31.
7. If you have Questions—Call or:

<http://uaex.edu/about-extension/associate-director-finance-administration/club-information.aspx>

Questions?