

Simple steps for SWCDs to comply with the LGBFCA...

August 2021

1. **Appoint a "Budget Officer"** (can be Supervisor or staff) to prepare the budget and present it to the Board
 2. **Appoint a "Finance Officer"** (can be Supervisor or staff) to keep accounts with generally accepted account principles and the rules and regulations of the Local Government Commission, disperse all funds in compliance with the LGBFCA, prepare and file with the Board a statement of financial condition, receive and deposit all monies, maintain all records concerning bonded debt and other obligations, supervise the investment of public monies, perform other duties prescribed by law or assigned by the manager, budget officer, Board, or Local Government Commission
 3. **"Finance Officer" must be bonded** (faithful performance bond of at least \$50,000 – this must cover the individual serving as the finance officer, only)
 4. Each officer, employee or agent who handles more than \$100 at any time must be **bonded** (faithful performance bond in the amount determined by the Board – blanket faithful performance bonding may be an alternative to individual bonds, except for the finance officer)
 5. Each officer or employee who is entrusted with funds or property must be **bonded** (surety bonds)
 6. Designate **official depositories** where funds are deposited
 7. By June 1 each year, budget officer must submit the **draft budget** to the Board (preferably at a formal meeting) – draft budget is now open for public inspection – *consider April Board Meeting*
 8. Board must hold a **public hearing on the budget** – this can be done at a regularly scheduled Board meeting, but the advertising for the meeting must include "public hearing on budget" – *consider May Board Meeting*
 9. By July 1 each year, **adopt a balanced budget ordinance** (must be at least 10 days after the draft budget is submitted by the budget officer – *consider June Board Meeting*)
 10. By July 31 each year, file form **COLL-91** with the Local Government Commission
 11. Complete an **annual audit** after the close of the fiscal year (internal audit permitted – *consider August Board Meeting*)
 12. Submit form **LGC-203** to the Local Government Commission, twice annually (by July 25 and January 25)
- As SWCDs receive funds during the year that were not expected as revenue, the budget needs to be amended; similarly, if line items need to be adjusted, prior to expenditures, the **budget needs to be amended by the Board during an official meeting**
 - Contracts, purchase orders and agreements obligating the district must bear the **preaudit certificate** signed by the finance officer
 - Disbursements must bear the **preaudit certificate**, and must be preaudited by the finance officer
 - **Daily deposits required**, unless Board waives the requirement for amounts up to \$500 (but a deposit must occur at least once per month)
 - **Dual signatures** on checks are required – each check or draft must be signed by finance officer (or deputy finance) and another employee or official designated by the board
 - **Monthly reports** should be submitted to the SWCD board that reflect the budget and actual revenue and expenditures