

Budgeting and Financial Management for Soil and Water Conservation Districts

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Local Government Budget and Fiscal Control Act (G.S. 159, Art. 3)

- Budgeting
- Financial Administration
- Cash Management
- Investments
- Accounting / Reporting
- Expenditure Control (Disbursements)
- Auditing

Budgeting

The county includes appropriations for the soil and water conservation district in the county's budget ordinance. The district holds a fundraiser in October. It raises \$500 selling tree saplings. The district supervisor wishes to expend these monies to fund an educational program for youths in the district.

What must the district supervisor do to be able to expend these monies?



Budget is All Inclusive

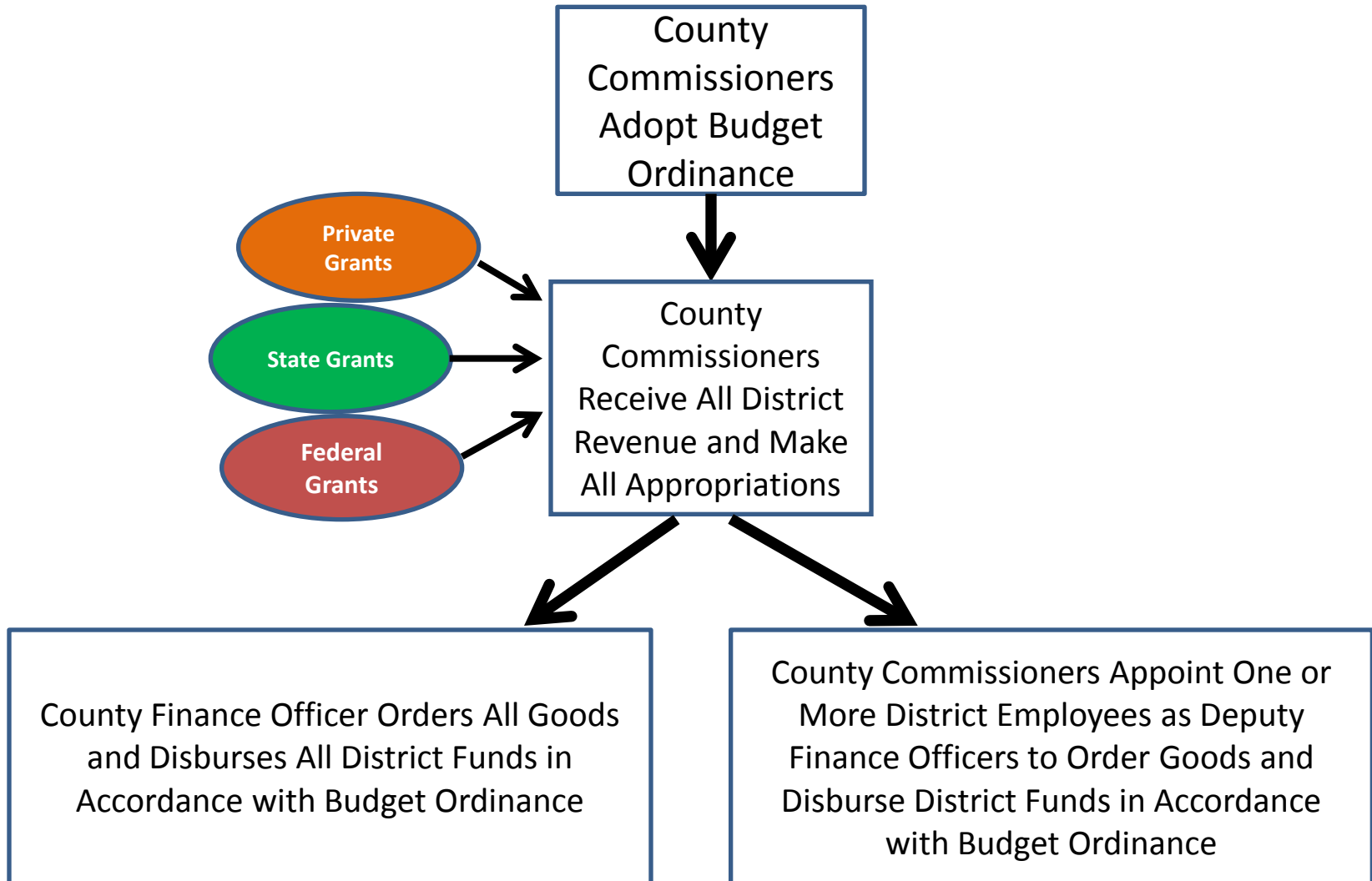


Generally, all monies must be included in a budget ordinance or project ordinance before they may be expended.

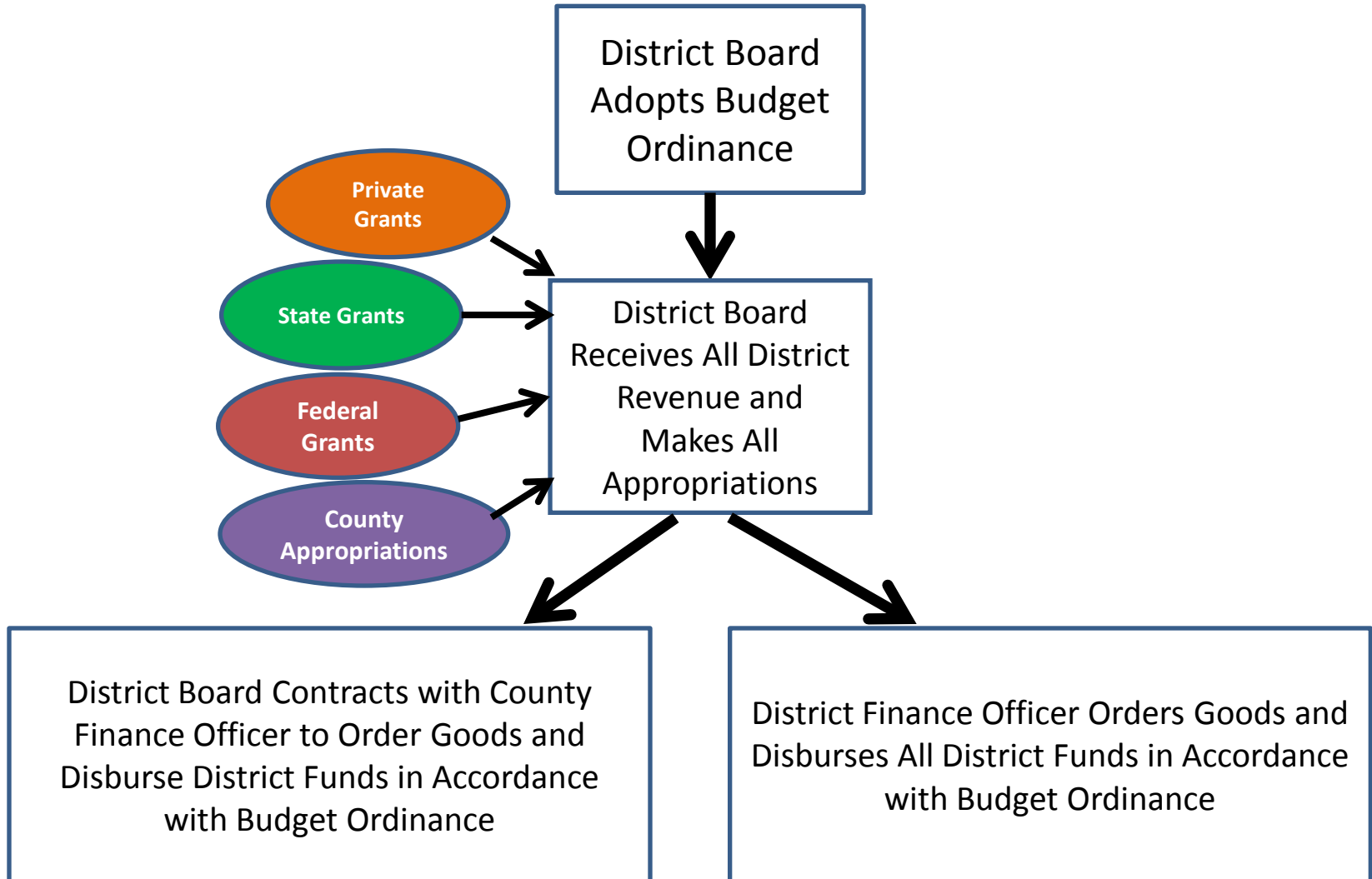
Who Adopts the Budget?

Who Expends the Money?

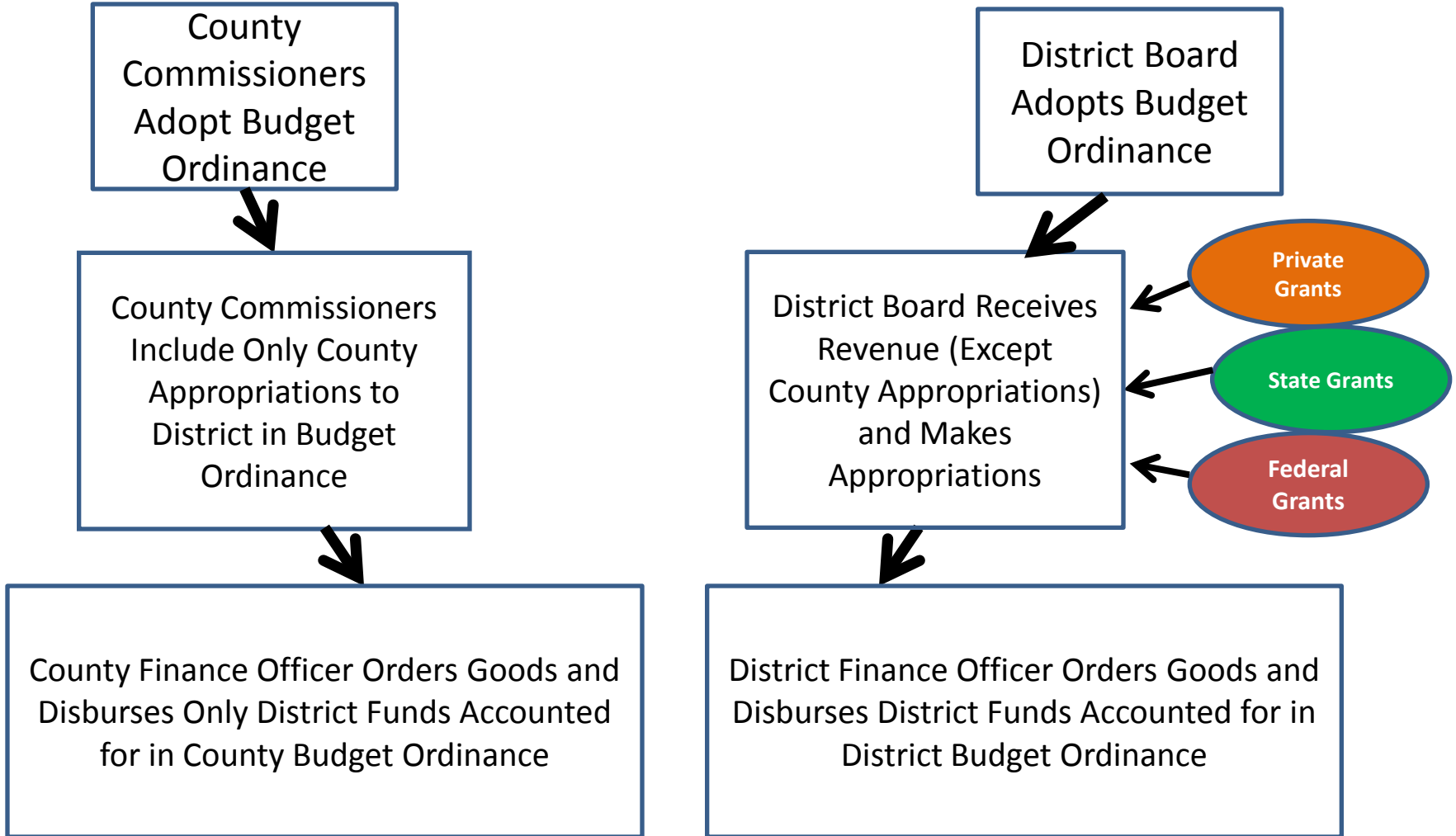
Budgeting Options: A



Budgeting Options: B



Budgeting Options: C



Who “Budgets” the Money?

A County Expend All Monies	B District Expend All Monies	C Both County and District Expend Monies
County Commissioners Adopt Budget	District Board Adopts Budget	Both County Commissioners and District Board Adopt Budgets
Federal monies, state monies, private monies, county monies all flow through county budget ordinance	Federal monies, state monies, private monies, county monies all flow through district budget ordinance	County monies (and possibly some state or federal monies) flow through county budget ordinance Federal monies, state monies, and private monies flow through district budget ordinance
County commissioners have complete control over budgeting, subject to any earmarks on outside funds	District board members have complete control over budgeting, subject to any earmarks on outside funds	County commissioners have complete control over funds budgeted in county budget District board members have complete control over funds budgeted in district budget

The district receives a yearly (matching fund) grant from the state. The state authorizes these funds to provide salary supplements to district employees. The district board wants to give the district employee a \$500 salary supplement this year.

How can the district board give the employee the salary supplement?



Salary Determinations

A County Expend All Monies	B District Expend All Monies	C Both County and District Expend Monies
County Commissioners Adopt Budget	District Board Adopts Budget	Both County Commissioners and District Board Adopt Budgets
District board must request that county commissioners appropriate state grant funds to provide salary supplement	District board may appropriate state grant funds to provide salary supplement	<p>If county pays employee's salary, district board must request that county commissioners appropriate state grant funds to provide salary supplement</p> <p>If district pays employee's salary, district board may appropriate state grant funds to provide salary supplement</p>

Budgeting Process:

Step 1

- Info from State about amount of expected federal and state funds

Step 2

- *OPTIONAL: If must submit budget to county commissioners, district board approves proposed budget submission*

Step 3

- Each department submits budget requests and revenue estimates to **budget officer** (by April 30)

Step 4

- Budget officer submits proposed budget and budget message to **governing board** (by June 1)

Step 5

- Governing board holds at least 1 public hearing on budget

Step 6

- Governing board adopts budget (by July 1, and at least 10 days after submitted by budget officer)

Step 7

- Governing board amends budget to modify expenditures or recognize new revenue at any time during the fiscal year

Cash Management

A district supervisor may open and maintain a separate bank account for grant funds received by the district.

1. True
2. False



Who Selects the Official Depositories?

A	B	C
County board	District board	County board selects for monies that flow through county budget
		District board selects for monies that flow through district budget

A soil and water conservation district supervisor can invest its cash reserves in which of the following:

1. Certificates of Deposit
2. US Treasuries
3. Commercial Paper
4. None of the above



Who Manages the Money?

A	B	C
County finance officer	District finance officer	County finance officer manages and disburses funds in county budget
		District finance officer manages and disburses funds in district budget

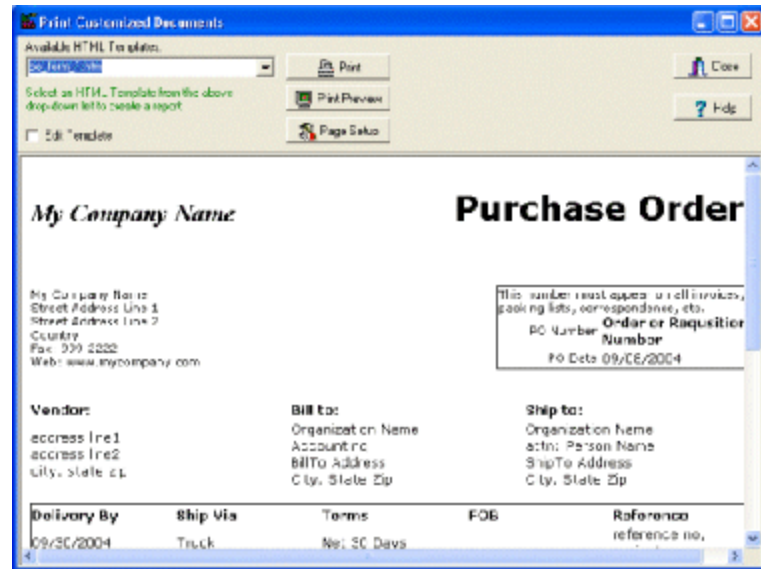
Disbursements

Who Disburses the Money?

A	B	C
County finance officer	District finance officer	County finance officer manages and disburses funds in county budget
County board appointed deputy finance officers	District board appointed deputy finance officers	District finance officer manages and disburses funds in district budget
		Both county and district boards may appoint deputy finance officers

All orders for goods must be approved by the district's finance officer or a deputy finance officer *before* the order is placed.

1. True
2. False



The screenshot shows a window titled "Print Customized Documents" with a toolbar containing buttons for "Print", "Print Preview", "Page Setup", "Copy", and "Help". Below the toolbar, there is a dropdown menu for "Available HTML Templates" and a checkbox for "Edit Template". The main content area displays a "Purchase Order" form for "My Company Name".

My Company Name

My Company Name
Street Address Line 1
Street Address Line 2
County
Fax: 000 2222
Web: www.mycompany.com

Purchase Order

This number must appear on all invoices, packing lists, correspondence, etc.

PC Number	Order or Requisition Number
PO Date: 09/06/2004	

Vendor: address line1 address line2 City, State Zip	Bill to: Organization Name Account no BillTo Address City, State Zip	Ship to: Organization Name attn: Person Name ShipTo Address City, State Zip
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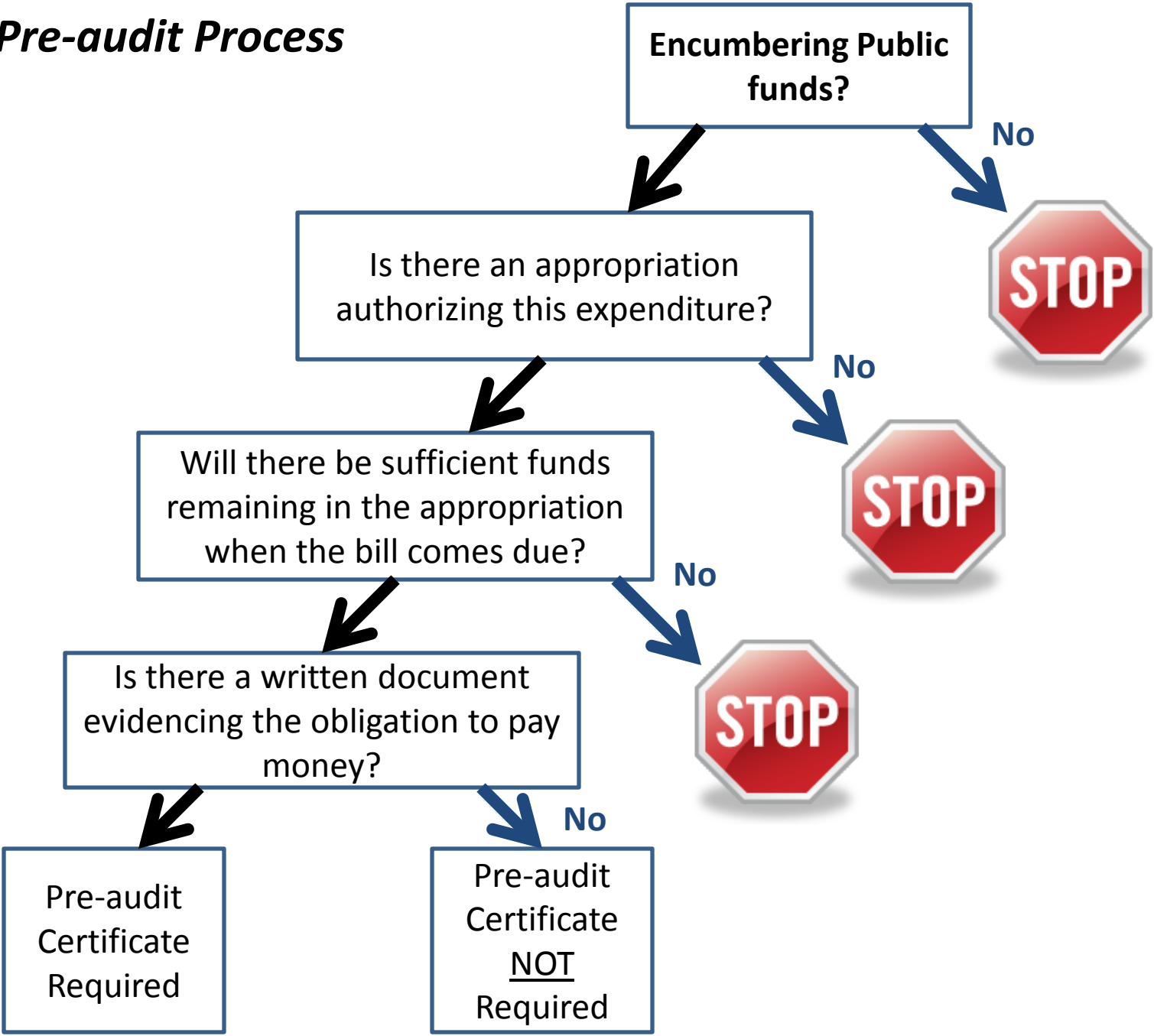
Delivery By	Ship Via	Terms	FOB	Reference
09/30/2004	Truck	Net 30 Days		reference no.

LGBFCA: Expenditure Control

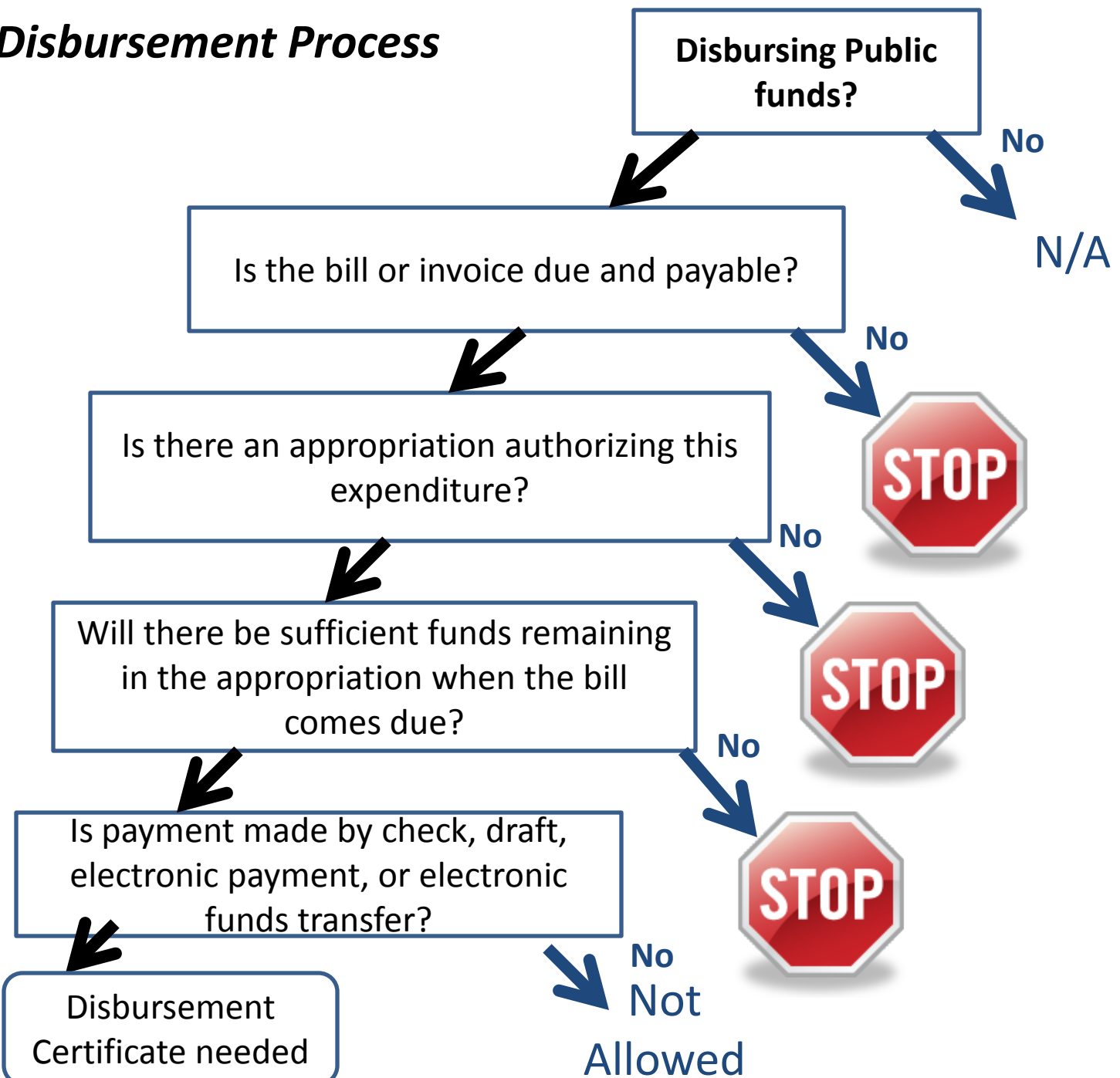
Preaudit Process

Disbursement Process

Pre-audit Process



Disbursement Process



Who Must Have a Fidelity Bond?

A	B	C
County finance officer	District finance officer	County finance officer manages and disburses funds in county budget
County board appointed deputy finance officers	District board appointed deputy finance officers	District finance officer manages and disburses funds in district budget
		Both county and district boards may appoint deputy finance officers

Annual Audit

A district does not need to perform an annual independent audit if it performs a yearly internal audit.

1. True
2. False

Who performs the audit?

A	B	C
County must contract for an annual independent audit, which includes district accounts	District may contract for an annual independent audit of district accounts OR	County must contract for an annual audit of county funds
	District may conduct internal audit that is certified by district supervisor	District may contract for an annual independent audit of district accounts OR
		District may conduct internal audit that is certified by district supervisor

Financial Management

All employees and officials of the district must be covered by a fidelity bond.

1. True
2. False

Who Must Be Bonded?

A	B	C
County finance officer must be covered by individual bond of at least \$50,000	District finance officer must be covered by individual bond of at least \$50,000	County finance officer must be covered by individual bond of at least \$50,000 District finance officer must be covered by individual bond of at least \$50,000
Other employees or officials (including district employees or officials) that handle any inventories or that handle more than \$100 must be covered by blanket bond	Other district employees or officials that handle any inventories or that handle more than \$100 must be covered by blanket bond	Other county and district employees or officials that handle any inventories or that handle more than \$100 must be covered by blanket bond

A district may expressly earmark funds for expenditure on operation and maintenance costs associated with conservation easements.

1. True
2. False



Special Revenue Fund for Conservation Easements

- G.S. 139-7.1
- District Board may adopt resolution or ordinance to establish fund
 - Specify purposes
 - Specify time period
 - Specify approximate amounts to be expended for each purpose
 - Specify source of funds

Special Revenue Fund for Conservation Easements

- Expending Funds
 - District board may authorize withdrawal of funds by resolution or ordinance
 - But, if district is county department (group A) then the county commissioners must also approve withdrawal and expenditure of funds