

LOCAL NON-APPROPRIATED ACCOUNTS

Basis

University officials, specifically Internal Auditing and General Counsel, have determined that inasmuch as all of the county funds are generated by the county and expended by the county, county non-appropriated funds should not be commingled with university CSU extension funds. Since CSU Extension employees have oversight and signatory authority for these accounts, it has been deemed appropriated that CSU Extension has the authority and responsibility to establish policies and procedures to keep these funds segregated and provide guidance for proper handling.

Policy

This policy applies only to County/Area Extension offices. Off-campus and on-campus specialists are not to establish any bank account. The off-campus regional specialists and departmentally based on-campus specialists are CSU employees and report to a regional director or department head. All off-campus and on-campus specialists must process all funding through approved university accounts.

The county/area director is a CSU employee and is responsible for the management of non-appropriated funds. The director ensures that accurate records are kept and that the funds are used properly.

All expenditures of non-appropriated funds shall be made solely for program enrichment purposes to include the purchase of unbudgeted equipment, supplies, travel, etc. For example, the county buys seedling trees and then charges the citizens who want to purchase them, or 4-H enrollment fees are charged and then sent to CSU (State 4-H program) or are used to enhance the 4-H program in the counties.

Each county CSU Extension office may establish only one checking account to handle all relevant non-appropriated, non-university locally generated funds. At the discretion of the area director or regional director, a checking account to serve the needs of the entire area may be established.

The bank in which the account will be established will be determined jointly by the county/area director and the appropriate regional director. The purpose for and the intent to establish the account will be reviewed and approved by the respective Board of County Commissioners and the county/area extension Advisory Council.

The words "Colorado State University," "CSU," or any individuals name shall not be included in the title of the checking account name. For clarity and uniformity the following titles are recommended but are not mandatory:

For counties: (County Name) Extension Fund

For areas: (Area Name) Area Extension Fund

In addition to a checking account, a cash fund of up to \$50 is authorized. The cash fund is authorized mainly to provide sufficient cash to accept revenue and make change for sales of publications, etc. No expenditures should be made from the cash account. An exception to the policy is allowable for amounts of less than \$2.00, but these should be kept to a minimum. The county/area director will determine the need and the size of the cash fund. The cash fund will be established from funds available prior to establishing the checking account or by writing a check in an amount to create the cash fund. Procedures for cash fund operations are included in the accounting manual.

Shortages or overages in the cash fund should be recorded in an account for that specific purpose and an entry made at the time the money is deposited. Shortages and overages transactions, if any, should be kept separate for the non appropriated account transactions.

The following shall apply to cash funds:

- Cash should be kept in a locked location.
- Only one individual should be responsible for the cash box.
- No expenditures shall be made from the cash fund.
- No advances, loans or IOU's shall be made from the cash fund.

For Non-Appropriated activity, accurate records must be kept, good accounting procedures should be followed and the funds should be handled in a business-like manner. An accounting manual is provided for each office, which explains the procedures to be followed. Excess funds should be deposited and not accumulated. A deposit should be made at least weekly, or when the excess funds accumulated in the cash account exceeds 50% of the authorized cash fund amount. Amounts accruing in excess of costs shall be utilized for program enrichment as soon as practical. Examples of appropriate purchases are purchases of unbudgeted equipment, supplies, etc. Examples of expenditures which are not considered appropriate are those of a personal or employee nature, such as office coffee and treats, gifts, flowers, office parties and dinners.

As the operation of these funds will not be structured to accommodate the handling of income taxes, social security, etc., payments for services should not be paid from these accounts. If payments for services need to be made, payments should be processed through the normal county system and the county/area Extension office should repay the county. No payments for services or reimbursement for travel should be made directly to any state, including CSU and CSU Extension, employees from the county/area Extension office. If the occasion arises where such an employee is to be paid for services or travel, a letter must be written explaining the circumstances. The letter and a reimbursement check must be sent to the appropriate agency that will actually be making this payment. Lump sum payments to independent consultants, speakers and lecturers may be paid directly from the fund. IRS form 1099 is required for accumulated annual payments to one consultant in excess of the current IRS limit. If this can't be accomplished locally, payments to consultants may be made through the university to insure that the 1099 is issued as required by law. The CSU Extension fiscal office will then bill the County for the amount of the payment and the County may reimburse CSU Extension for that amount from the Non-Appropriated account. An individual is considered an employee if that individual receives instruction, guidance or supervision in performing their service. If it is determined that

the individual should be treated as an employee, that individual should be paid through the CSU payroll system. Again, the CSU Extension fiscal office will bill the county for the payments made. Non-appropriated account funds may be used to reimburse CSU Extension.

In the conduct of CSU Extension programs, it is desirable and necessary to work with numerous groups and organizations. However, such groups should not be dependent on CSU Extension to be responsible for or handle any of the group funds. Nor should CSU Extension be responsible for accounting for receipts or expenditures thereof. Examples of the kind of funds which should not be handled through the authorized local non-appropriated funds are:

- Sale and/or purchase of 4-H livestock
- Dairy Herd Improvement Associations
- General community associations (e.g. breed associations, seed clubs, etc.)
- Home economic associations and clubs
- 4-H foundations and councils

Such groups have their own treasurers. Extension staff should have no authority to withdraw funds from or write checks on any association accounts except as noted below.

Regular County Extension Budget, Weed Districts, and County Fairs may require extension staff to withdraw funds and/or write checks as prescribed by local/area policy.

The regional director shall be responsible for relieving departing employees of the fund responsibilities and for assuring the understanding and acceptance of fund responsibility by new employees.

Financial Reporting, Reviews/Audits

A summary report of receipts, expenditures and activities of non-appropriated funds will be required annually. Appropriate forms will be sent as of June 30th of each year. The forms are returned to the CSU Extension Fiscal Office where they are reviewed and kept. A summary of these reports is provided to CSU Internal Auditing yearly.

Financial reviews will be performed by the Extension Fiscal Office at least bi-annually. The review will include, but is not limited to, verification of cash, transactions, and ledger balances. Results of these reviews will be made available to the Colorado State University System (CSUS) Department of Internal Auditing upon request.

The Director of Internal Auditing will meet annually with the Director of Extension or his/her designee for the purpose of:

1. Assessing the risks presented by the field offices within the context of the overall audit risk assessment of the institution.

2. Identifying those field offices which will receive educational/audit visits. In every case, the visits will be under the supervision of the Director of Internal Auditing, and reports will be issued through Internal Auditing with the standard distribution.

In addition, CSU Extension may, from time to time, request an audit visit by Internal Auditing when a county or area director who is responsible for a non-appropriated account leaves Extension's employment. If resources allow, these audits will be conducted by internal auditing and reports will be issued with the standard distribution. If resources within Internal Auditing are not available to conduct the requested audit, Extension may, at its own expense, arrange for an audit by someone not a part of Internal Audit. In all cases, Internal Auditing will be kept informed of the plan for the audit and will receive a copy of the final report. Although the following individuals do not have audit responsibility for the account, they may have access to the records to familiarize themselves with the handling, activity and reporting of the account:

- Anyone formally designated by the local Board of County Commissioners
- A representative from the Office of the State Auditor
- Colorado State University Extension administrative staff

CASH HANDLING PROCEDURES

1. If received in person, ring up on a cash register system or record on pre-numbered receipt form, giving a copy to the customer and retaining one for departmental records.
 - If received by mail or phone (credit card payments), record immediately on an order system, cash register, or cash receipt journal.
 - Indicate the type of payment tendered on the record of payment.
 - Ensure that checks are properly completed: made payable to “Colorado State University”; are not stale dated or post dated; the numeric and written dollar amounts agree; it is drawn on U.S. bank and payable in U.S. dollars; the check is signed by the payer.

2. Separate Individual Cash Handling Duties
 - Separate the components of cash handling – collecting, depositing, and reconciling – so that one individual does not have responsibility for more than one component.
 - In small offices, this is not always possible, but separation of actual cash handling from reconciliation will help to deter fraud or concealment of errors.
 - Different employees should not work out of the same cash drawer. When responsibility for cash changes hands, it should be recorded with some receipting system.

3. Safeguarding Cash
 - Cash receipts and petty cash/change funds should be adequately secured at all times.
 - Cash drawers should be locked when the employee responsible for it is away from his or her work station.
 - At all other times, store coin, currency, and checks in a safe and locked secure place until they can be deposited at the Cashiers Office.
 - Safe combinations should be changed whenever staffing changes occur among those that know the combination.

4. Reconciling Activity
 - Daily balancing should occur to reconcile the cash receipts register (cash register tape, pre-numbered receipts, or receipt log totals) to the CASHNet deposit.
 - Change fund should be counted to ensure it remains at the stated level.
 - Any unidentified differences should be documented and a cash overage/shortage booked to the department’s operating FRS account using subcode 4520.

HOLDING PERIOD FOR FINANCIAL RECORDS

Colorado State University Extension records of non-appropriated funds activities are to be retained for a minimum of six years. All Extension staff acting as a principal or co-investigator for sponsored programs activities will maintain financial records in accordance with Sponsored Programs policy. See [Glossary of Legal Terms](#) for additional information.

GRANTS AND SPONSORED PROGRAM FUNDS

All Extension staff acting as principal investigators or co-investigators in research, applied research or extension grant funded programs will adhere to guidelines set forth by the Office of Sponsored Programs and the requirements of the specific grant. Indirect costs will be allotted per grant criteria and CSU Extension indirect costs policy. Refer to *Sponsored Programs Manual* (<http://web.research.colostate.edu/osp/pdf/PIManual.pdf>) for more information regarding specific requirements of the CSU Office of Sponsored Programs.

COUNTY BUDGETS

County Extension budgets are prepared on the basis of the respective counties budgeting for the operating expense of the county Extension office plus a portion of the agent's salary and benefits. Operating expenses to be budgeted by the county should include travel, office expense, supplies and equipment needed to conduct CSU Extension educational programs in the county. Budgets should also provide necessary and adequate administrative and clerical personnel support. Office space furnished by the county and related utilities may be included in the county Extension budget.

The county support of the agents' salary and benefit costs will be determined based on a formula which is updated annually and approved by the Board of Governors of the Colorado State University System. The support is updated annually to provide increased funding to match the amount specified in the University budget. The formula establishes a county support amount for each agent position within the county. The second agent position formula amount is \$500 greater than the first agent formula amount, the third, fourth and fifth agent formula amounts are \$1,000 more than the first agent amount and the sixth agent formula is \$2,000 more than the first agent formula.

Each County or Area Extension Director is responsible for presenting and explaining the county Extension budget to the Board(s) of County Commissioners and securing approval of the budget. Steps in the budget procedure are:

1. During June, the Colorado State University Extension Director will notify each County or Area Director of the annual formula amounts required for the upcoming budget year.
2. During July, the County or Area Extension Director, in consultation with the Regional Director, will prepare the county Extension budget request. The budget request will include figures on expenses for the prior year, expenses to date for the current year, and funds requested for the subsequent year. County approved forms will be supplied by the County Commissioners to complete the budget request.
3. County or Area Extension Directors will send the Regional Director a copy of the county/area Extension budget as soon as it is approved by the Board of County Commissioners.
4. The Regional Director will submit a copy of the approved county or area budget, certified by the County commissioners, to the CSU Extension Fiscal Office. The Memorandum of Understanding between CSU and the county/area Extension is considered renewed annually when CSU receives a certified copy of the new county or area budget.

TRAVEL ON UNIVERSITY BUSINESS

Official business travel by a county/area CSU Extension staff member within their recognized work area needs to be substantiated by a mileage log and other records. The nature of the business should be described in the daily office schedules. The daily office schedule shows who is in the office and who isn't due to travel, business needs or other circumstances.

CSU Extension employees are required to travel on University business within the state of Colorado. Authorization for that in-state travel (except when using a commercial airline) is required in accordance with the requirements of Colorado State University Financial Policy and Procedures Instructions, FPI D-3. The travel FPI website is:

busfin.colostate.edu/fpi/d_group/fpi%20D-3%20trvrec.pdf.

This authorization is provided through the appointment letter to county and area Extension personnel. It is important that applications for official business travel have the required approval and be on file in the county or area office prior to departure. This is particularly important for the individual Extension staff member and their family. If while on official travel for University business outside the normal and recognized area of work assignment an individual is involved in an accident, workmen's compensation, liability insurance and other protective coverage may not be valid unless the application for travel is on file prior to the time of departure. Authority to approve travel on University business outside the county or area is delegated to the county or area Extension director to approve, except for when such travel exceeds five calendar days. Applications by county and area personnel for travel on official University business in excess of five calendar days are to be submitted in advance for approval to the unit administrator/regional director and returned to the county or area office prior to the beginning date of travel.

Unit administrators will provide periodic review of the travel authorization. Individuals authorized to approve pre-trip requests are stated in FPI D-3 and cannot be further delegated.

Time spent on official University business outside of the county or area assignment is computed on a calendar day basis in order to give proper coverage for the total time the agent is out of their assigned territory. For example, an absence on official University business from Friday through Tuesday is five calendar days.

OUT OF STATE TRAVEL

Applications for travel on official University business outside the state by county/area personnel are to be forwarded to the unit administrator/regional director, who will endorse or disapprove and forward the request to the Director's office for action. All out-of-state travel requests are to be prepared on a Pre Trip Travel Voucher and must be submitted far enough in advance to be acted upon and returned to the traveler before the departure date. This endorsement process is necessary in order for the traveler to be covered under the University's insurance. This procedure applies for official University business even if the cost is paid by a source other than the University, such as the County.

TRAVEL MILEAGE REIMBURSEMENT

Due to timeliness of recognizing expenses when they occur:

1. All requests for expense reimbursement **MUST** be received no later than 60 days following the final date of travel. Expenses submitted later than 60 days following the travel dates may not be reimbursed. This is a government policy that the CSU travel office follows.
2. Reimbursement for professional development funds **MUST** be received no later than 30 days following the final date of travel. Professional development expenses submitted later than 30 days following the travel dates **WILL NOT** be reimbursed.

Policy

Travel reimbursement is appropriate for travel while on official CSU Extension business, and will be for actual miles driven when travel originates from and terminates at the office. When travel originates from or terminates at a point other than the office (i.e., home) the reimbursement will be determined based on the examples explained below.

1. Commuting mileage from the employee's home to their office and back is not reimbursable under any circumstances.
2. No mileage reimbursement will be made for miles not actually driven.
3. This reimbursement policy applies to all travel paid by Colorado State University Extension, including county or area funds on deposit in the University's Agency Fund (99 Fund). Travel reimbursements paid directly by counties should comply with the county reimbursement policy.

Rationale

Some CSU Extension employees elect to not live close to their office, and in some instances do not live in the same town or county. Consequently, questions arise regarding the calculation of mileage for reimbursement of travel originating from or terminating at the employees home as opposed to the office.

While all situations cannot be adequately covered in this policy, the more common travel situations will be addressed. If individual circumstances do not fit into one of the covered situations, the appropriate administrator in conjunction with a representative from the Fiscal Office will make a decision regarding the correct procedure.

The policy is predicated on the fact that employees are expected to report to the office (commute) at their own expense. This commuting mileage is not to be directly or indirectly included in the travel reimbursement.

Reimbursement Examples

1. Travel originating from and returning to the office will be reimbursed for the actual miles driven.
2. Travel originating from and returning to the home will be reimbursed at the lesser of the office to destination to office mileage or the actual miles driven.
3. Travel originating from the home and returning to the office will be reimbursed at the lesser of the office to destination to office mileage, the home to destination to home mileage, or the actual mileage driven.
4. Travel originating from the office and returning to the home will be reimbursed as follows:
 - a. Outgoing travel (office to destination) will be reimbursed for actual miles driven.
 - b. Return mileage (destination to home) will be reimbursed at the lesser of the destination to office mileage, or actual miles driven.

For additional information please view the CSU web site: <http://busfin.colostate.edu/trv.aspx>

MOVING EXPENSE REIMBURSEMENT POLICY

Moving Expenses

Moving expenses will only be reimbursed if the move is completed within 12 months of the starting date of employment. See the most current information regarding moving expenses at <http://busfin.colostate.edu/trv.aspx>.

COMMUNICATION EQUIPMENT AND ACCOUNTS

Policy

Communication systems and equipment are provided for conducting official business of CSU Extension. Personal use of equipment is only permitted if such use is infrequent, unavoidable, and fully reimbursed to the University/county. Personal use of cellular phones, pagers, fax machines, and long distance access codes, etc. is strongly discouraged. Personal toll calls should be made using a personal long distance credit card. Check with your county administrator to determine specific county policy and procedures. Also, refer to the CSU website: (<http://www.admin.colostate.edu/policies.html>) and select the Administrative Operational Reference Guidelines (<http://www.admin.colostate.edu/pdfs/admin-organizational-reference.pdf>).

Procedures

Each month reports and statements from cellular/pager service providers are distributed to the appropriate employees. Employees are required to review these documents and sign a certification that all charges are for official business and that the account to be charged is accurate. In an exceptional situation when a charge is for personal purposes, the employee marks the call as “personal” on the report/statement and reimburses the appropriate agency for this usage.