

SWCD Training Program | *January 2011*

Module 3:

Financial Responsibilities



Financial Duties of District Board Members

- Because SWCDs are state authorized entities, all funds obtained by SWCDs, regardless of source, are public funds, whether they come from public or private sources.
- Each District Board of Supervisors (BOS) has the following financial responsibilities (and thus also the responsibility to ensure district staff, contractors, volunteers, and others also adhere to these mandates):
 - Create and adopt a district budget
 - Manage funds consistent with fiduciary responsibility and annual work plans
 - Maintain accurate and complete financial records and reports
 - Manage property and assets (i.e. cash, equipment, furniture, vehicles, inventory)
 - Manage cash deposits and other financial holdings
 - Review and approve monthly financial reports, and the expenditures itemized in the treasurer's report, of their SWCD
 - Report as required to agencies and funding sources

Financial Policies & Procedures

- Ensure that the project and/or function is being accomplished in the most cost effective, productive, results-oriented way.
- Ensure all district banking, grant management, inventory management, and budgeting is conducted according to applicable laws and regulations and following the best possible accounting practices available. Periodic refresher training courses, especially in the use of QuickBooks® software, is highly recommended.



Budgeting & Allocating Resources

- Ensure the District has a budget and actively manages that budget.
- All budgets are put to the full Board for approval; it is the responsibility of each Supervisor to be educated on the contents of that budget, and to ensure that budget adheres to the priorities and objectives set by the SWCD Board of Supervisors, and that all projects/objectives within the budget are accurately and responsibly budgeted for.



Audit Requirements

- Districts shall adhere to any and all audit requirements set forth in any funding agreement they enter into. Districts utilizing NRCS funds, may be subject to formal audits performed by a firm selected by AACD.
- For districts not subject to a formal audit, district supervisors should establish an audit committee to carry out an internal audit. An auditing committee of at least two people appointed by the district chair shall carry out annual internal audits. Any supervisors, other than the treasurer for the year covered by the report, may serve on the committee. At least one local person familiar with accounting and at least one supervisor should be asked to serve on the audit committee.



- AACD may conduct on-site district reviews. The primary purpose of these reviews is to review the district's internal controls regarding funds administered by AACD.
- Results from formal audits and district reviews shall be sent to the Executive Director of the NRCDB.
- To learn about the standards for audits applicable to federal awards/grants, refer to OMB Circular No. A-133. Circular No. A-133 sets forth standards for obtaining consistency and uniformity among federal agencies for the audit of state and local governments and non-profit organizations expending federal awards. Audit requirements for non-federal entities that expend \$500,000 or more in a year in federal awards shall have a single or program-specific audit conducted for that year. Circular No. A-133 can be found at <http://www.whitehouse.gov/omb/circulars/a133/a133.pdf>.
- Depending on the sources of funding other OMB circulars may apply.
- Districts are responsible for complying with all funding requirements imposed by a funder and agreed to when the funding was accepted by the district.
- Other OMB circulars can be found at <http://www.whitehouse.gov/OMB/circulars/index.html>

Available Funding Mechanisms

- Federal
- State
- Local, Municipality, Borough
- Private

