

Principles of Managing Non-Appropriated Funds

Non-appropriated funds include any funds, outside of appropriated tax dollars, collected by the Extension Council Executive Board/District Governing Body for Extension education purposes: i.e. fees, registrations, etc. as well as any funds collected and dispensed by Extension affiliated groups: 4-H and Master Gardeners are the most frequent. Extension Boards/Governing Bodies are not to manage the funds of FCE groups, livestock marketing groups, and marketing clubs. Junior livestock auction sales are to be managed by the Fair Association/Board or a committee so designated by the Fair Association/Board rather than the Extension Board or one of its affiliated groups.

Principle #1: Accountability for all Funds/Accounts

All Accounts and all expenditures of funds of the Local Extension Unit, from whatever source derived, are subject to approval of the Extension Board and the Director of K-State Research and Extension. The Director and local Extension Boards are accountable for all non-appropriated funds generated for Extension programs. This includes all funds collected/raised in the name of Extension 4-H Clubs.

Principle #2: Two Signatures Required

Extension employees should not be signatory on any fund accounts, whether appropriated or non-appropriated. All accounts should require at least two signatures for withdrawals.

Principle #3: Receipt all Financial Transactions

All funds should be receipted each time they change hands (i.e. at time of collection from payee, from the financial institution upon deposit, between any individuals to whom funds are transferred).

Principle #4: 4-H Accounts and the IRS

All Extension affiliated entities must have their own employer identification number from the Internal Revenue Service and all 4-H accounts must be included in the data base of approved clubs/organizations maintained by the Kansas State University Department of 4-H Youth Development.

Principle #5: Financial Reviews

All local Extension affiliated groups including 4-H Clubs, are included in the tax reporting jurisdiction of local Extension Boards and must have their financial records reviewed annually by the local Extension Board.