

# **Essential Basics of Financial Management for Conservation District Directors**

**Trust but Verify**

Presented by:  
**Oklahoma Conservation Commission  
District Services Division  
OACD Annual Meeting  
February 23, 2010**

# Financial Procedures

- Use only numbered checks – do not use counter checks.
  - What is the board's policy on automatic withdrawal payments?
  - Check stubs must be completed.
  - Check numbers should be posted to the monthly financial statement along with the amount and who the check was written to.
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# Financial Procedures

- Canceled checks, if received from bank, should be filed with the bank statement in numerical order.
- The treasurer should sign all checks. It is recommended that at least two signatures be required on all checks. Anyone with signatory authority on accounts should be adequately bonded.

# Financial Procedures

- The financial statement should reflect the total amount of funds on hand, not just the checking account balance.
  - When a check is voided, write void across the face of the check, and attach it to the check stub.
  - Bank statements must be reconciled each month. The original reconciled bank statement should be initialed by the treasurer after examination.
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Whatever COUNTY CONSERVATION DISTRICT

Attachment A

Financial Statement  
February 1, 2010 - February 28, 2010

1.Previous Balance of All Funds \$16,841.92

2.Checking Account Balance Brought Forward \$9,614.63

3.Deposits to checking

<u>DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2/7/10	Equipment rental	\$200.00
2/7/10	OCC Reimbursement	\$325.98
2/20/10	OCC Reimbursement	\$4,439.72
2/26/10	OCC Reimbursement	\$300.00
2/26/10	NRCS January Rent	\$750.00

Total Deposits To Checking Account \$6,015.70

4.Disbursements From Checking Account:

<u>CHECK #</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
11770	2/4/10	Sooner Telephone	January Telephone & Internet \$62.14
11771	2/4/10	OG&E	January Gas \$105.19
11772	2/4/10	City of Whatever	January Utilities \$193.04
11773	2/4/10	Conservation Commission	January PreClaim \$157.93
11774	2/4/10	Arvest Bank	January 941 Quarterly Taxes \$498.94
11775	2/4/10	Whatever Republican	Advertising \$133.44
11776	2/4/10	Staples	Office Supplies \$10.98
11777	2/4/10	Whatever COOP	January Fuel \$49.58
11778	2/4/10	WalMart	Ag Safety Day - Drinks & Chips \$132.08
11779	2/4/10	Ace Hardware	Bldg Maintenance \$50.90
11780	2/4/10	Farm Bureau Insurance	Building Insurance \$132.16
11781	2/4/10	Equipment Manager	Payroll 2/1/10 - 2/15/10 \$828.53
11782	2/26/10	Equipment Manager	Payroll 2/16/10 - 2/28/10 \$828.53
11783	2/26/10	District Secretary	February Payroll \$1,625.38
11784	2/26/10	Postmaster	Stamps \$42.00

Total Disbursements From Checking Account \$4,850.82

Current Checking Account Balance \$10,779.51

5. Certificate of Deposit - Arvest Bank	Balance Forward	\$7,218.17	
2/9/10 Arvest Bank	Interest	<u>\$27.29</u>	
Current Certificate of Deposit Balance			\$7,245.46
6. Petty Cash Account Balance Brought Forward			\$9.12
11-Feb Postage		\$5.32	
24-Feb Postage		\$1.82	
Current Petty Cash Balance			\$1.98
Balance of all funds			\$18,026.95

7. Bills To Be Approved For Payment:

<u>PAY TO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Sooner Telephone	February Telephone & Internet	\$65.56
OG&E	February Gas	\$30.17
City of Whatever	February Utilities	\$200.72
Oklahoma Conservation Commission	March Retirement & Insurance	\$157.93
Arvest Bank	February 941 Quarterly Taxes	\$498.94
Whatever Republican	Advertising - Partime/Temperary	\$23.10
Whatever COOP	February Fuel	\$57.21
WalMart	meeting supplies	\$22.59
Ace Hardware	Bldg Maintenance	\$57.07
Bobs Machine	Equipment Maintenance	\$339.34
NAPA Auto Parts	Auto Maintenance	\$5.78
Equipment Manager	Payroll Period 3/1/10 - 3/15/10	\$828.53
Equipment Manager	Payroll Period 3/16/10 - 3/31/10	\$828.53
District Secretary	March Payroll	<u>\$1,625.38</u>
<b>Total Bills To Be Approved For Payment</b>		<b>\$4,740.85</b>

8. Accounts Receivable Due:

<u>FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
NRCS	February Rent	\$750.00
Mark Tomas	No-Till Drill Rental	\$84.00
Bill Hammond	No-Till Drill Rental	\$582.00
OCC	February Reimbursement	<u>\$2,827.18</u>
<b>Total Accounts Receivable Due</b>		<b>\$4,243.18</b>

9. Projected Checking Account Balance \$17,529.28

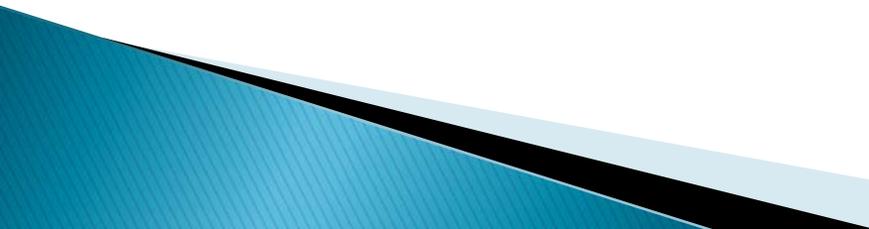
Approved: \_\_\_\_\_ DATE: \_\_\_\_\_

# Financial Procedures

- Blank checks should never be signed. This may cause your bond to be voided.
  - Set up accounts with businesses where ever possible.
  - An Employee should never sign their own paycheck.
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# **Board Meeting Actions**

**Voided Checks, Original Reconciled Bank Statements, and Canceled Checks should be compared to the financial statement and reviewed at the board meeting.**



# **Board Meeting Actions**

**The current financial statement should be compared to the previous month's financial statement to ensure numerical consistency in the checks written.**



# **Board Meeting Actions**

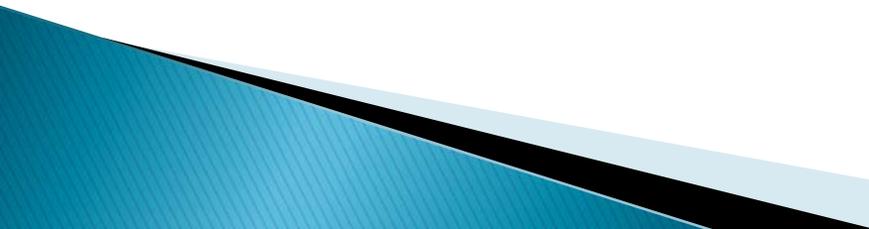
## **Payment of Bills**

- **All bills should be approved for payment**
- **When signing checks for payment of bills compare the bill to the amount of the check**

## **Each Month**

- **There should be a check for payroll taxes**
  - **There should be a check for state withholding taxes**
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# **Other Financial Issues**

- **Time is money – Use of Leave / Timesheets**
  - **Know what you are signing**
  - **Federal Payroll Taxes**
  - **IRS Reporting Requirements**
  - **Oklahoma Employment Security Commission (OESC) Unemployment Tax**
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# Director Responsibility

By Law the directors shall provide for:

- The execution of surety bonds for all employees and officers who shall be entrusted with funds or property;
- A complete audit shall be conducted at least every three (3) years of the receipts and disbursements and a compilation conducted during non-audit years.

**As a district director and public official, you are responsible for the finances of the district.**



# **Director Responsibility**

**Directors rely on district employees to perform the day-to-day management of district finances.**

**However.....**



# **Director Responsibility**

**As a district director and public official, you are responsible for the finances of the district. Ask Questions... If you don't trust the answer you get do more research!!**

