

Conservation District Accounting Manual



Prepared By:
The State of South Dakota
Department of Agriculture
Resource Conservation & Forestry Division
and the
State Conservation Commission
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The information contained in this manual does not constitute legal advice.

Please see page 50 for a listing of those agencies which may be contacted for further assistance

Additional copies may be obtained from the Resource Conservation & Forestry Division.

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Preface

The State Conservation Commission, at its November 9, 2000 meeting, adopted this accounting manual and has made its use a requirement of all South Dakota conservation districts. The motion, in its entirety, reads:

“Motion by John Gross to approve the accounting manual for the conservation districts. Second by Bill Dempsey. Motion carried.”

A financial committee was organized to develop and recommend changes to the original accounting manual issued in 1993. Members of the committee were:

Deene Dayton, Department of Legislative Audit
Robert Gab, State Conservation Commission
Susan Worth, Potter County Conservation District, SDACDE
Debbie Hadrick, Faulk County Conservation District, SDACDE
Mary Hendricks, as an individual with bookkeeping experience
Angela Ehlers, SD Association of Conservation Districts
Keith Harner, Hughes County Conservation District Supervisor
Cec Johnson, Resource Conservation & Forestry Division

The objective of this manual is to provide clear accounting procedures to be followed by all conservation districts. When consistently applied, these procedures will assure that the various financial statements issued by the districts are comparable and standardized. By following the instructions contained in this manual, all districts will find it easier to remain in compliance with South Dakota Codified Law (SDCL) 38-7-23, 38-8-48, 38-8-55 and other sections of state law. This manual is also intended to satisfy the requirements as set forth by the State Conservation Commission as provided in SDCL.

It is not possible for a single accounting manual to answer all questions that a district may have. This manual is designed to provide the basic system by which the districts will operate as a local governmental enterprise, similar to a small business. Not all of the information will pertain to every district. If you have any questions as to whether or not a particular item pertains to your district, please contact the **Division of Resource Conservation & Forestry**.

This manual is designed for use with either a manual ledger or a computerized system. It is also designed to meet Generally Accepted Accounting Principles (GAAP) as well as the requirements of the Commission and the Division.

Roles and Responsibilities

The conservation districts are charged with reading and becoming familiar with the contents of this manual and using the manual in all district financial record keeping.

The Resource Conservation & Forestry Division is charged with ensuring that the manual is distributed to all conservation districts, maintaining the manual and ensuring that all conservation districts are provided with copies of any and all changes and/or updates to the manual.

CHAPTER 1

Introduction

Use of this manual

The State Conservation Commission has directed that this manual be used by all conservation districts for all district financial record keeping. The reader should remember that no single manual would be able to include all situations a district may encounter. This manual is designed to provide the basic requirements for district operations.

Some districts continue to use a manual ledger system, other districts use a computerized form of bookkeeping. This manual is designed for use in all situations.

Fund Accounting

Conservation district operations are so diverse that it would be almost impossible to use one set of accounts for recording all the financial transactions. Instead, the required accounts are organized on the basis of "funds." Districts will primarily use two types of funds: general and other funds. Each of these funds is completely independent of any other fund. Each fund must be accounted for in such a manner that the identity of its resources (assets), obligations (liabilities), fund equity (equity), revenues (income), and expenditures (expenses) is continually maintained.

Basis of Accounting

"Basis of Accounting" refers to when revenues, expenses and transfers (and the related assets and liabilities) are recognized in the accounts and reported in the financial statements.

The Generally Accepted Accounting Principles identifies two accounting methods:

1. Accrual Basis

Income and expenses are recorded at the time you ship a product, render a service or receive a purchase, regardless of when you actually receive the cash or pay for the item. This method should be used for proprietary funds and non-expendable trust funds.

2. Cash Basis

Income and expenses are recorded at the time you actually receive a payment or pay a bill. This method shows income only if you have received it, and shows expenses only if you have paid the bill. Districts do not normally use this method.

Many districts use the "modified accrual" basis of accounting. Under this method, revenues are recognized in the period in which they become available and measurable, and expenses are recognized in the accounting period in which the fund liability is incurred, if measurable. This is used to account for all governmental funds, expendable trust funds and agency funds.

This manual does not specify which method should be used. Each conservation district must decide which method to use, then be consistent.

Statutory Background

The statutory references relating to the financial administration of conservation districts are as follows: (for complete text of the statutes and rules, contact the division)

South Dakota Codified Law (SDCL):

- 38-7-23: The Division of Resource Conservation and Forestry shall have the duty and power to require proper accounting and financial reporting procedures by conservation districts and to assist in the implementation of these procedures.
- 38-8-48 The supervisors of a conservation district may provide for surety bonds; shall provide for the keeping of a full and accurate record of all proceedings and of all resolutions and orders issued or adopted; shall prepare financial reports and report of progress; reports shall be prepared within sixty days of the close of the district's fiscal year, and the written reports shall be kept at the principal place of business of both the Division of Resource Conservation and Forestry and the district.
- 38-8-49 A conservation district is a governmental subdivision of this state.
- 38-8-49.1 A conservation district shall prepare a budget and present to the county commission.
- 38-8-53. Creates the revolving loan fund for the purchase of necessary equipment, trees, and other planting materials, and supplies as needed in furthering the program of conservation in these districts.
- This fund shall be made available to conservation districts of the state on a reimbursable basis.
- 38-8-54. Any conservation district receiving funds from the county shall file with the county commissioners a financial statement for the last three years itemizing the amount of funds received and how disbursed.
- 38-8-57. Any conservation district receiving funds under §§ 38-8-55 and 38-8-56 shall file with the county commissioners an itemized annual financial report within sixty days following the end of the district's fiscal year.
- 38-8-59. Conservation districts are exempt from statutory requirements pertaining to bids and surplus property unless specifically referred.

Annotated Rules of South Dakota:

- 12:03:03 Loans may be made for up to five years; minimum payment is \$250; interest is accumulated at 3% per year.

Accountability

Supervisors are accountable for the use of public funds. Supervisors, therefore, are obligated to ensure that the district employees are following this manual.

Internal controls need to be in place and steps taken to promote their effectiveness. Internal control is the system of checks and balances within your district which helps to ensure that your assets are properly safeguarded and that the financial information produced by the district is accurate and reliable. Good internal controls require clear lines of authority and

responsibility, appropriate reporting relationships, appropriate separation of authority, and open communication. See Appendix E, page 32 for a self-checklist of internal controls.

Internal control systems, all transactions, and other significant events are to be clearly documented, and the documentation is to be readily available for examination. This requires written evidence of

- (1) A district's internal control systems – a description of the method used for internal control. This provides for a system the district uses to maintain the integrity of its financial records. This includes a written policy or procedure for all transactions and methods of record keeping. See "Formal Review and Checklist," Appendix E, page 29.
- (2) All pertinent aspects of transactions and other significant events of a district.

Transactions and other significant events are to be authorized and conducted only by the board chairman and/or those other board members and employees specifically empowered by the board.

Although it is not always possible in smaller district offices, key duties and responsibilities should be separated among individuals. Key duties include, but are not limited to, authorizing, approving, and recording transactions; issuing and receiving assets; making payments; and reviewing or auditing transactions.

Qualified and continuous supervision should be provided to ensure that internal control objectives are achieved. This standard requires supervisors to continuously review and approve the assigned work of the employee(s). It also requires that the staff is provided with the necessary guidance and training to help ensure that errors, waste, and wrongful acts are minimized and that specific management directives are followed.

Chapter 2

Chart of Accounts

A listing of all account titles and their numerical codes is called a "chart of accounts."

The Commission has approved a standard chart of accounts for use by all conservation districts. This list was developed and recommended by the 1993 Financial Committee. Modifications made by the 1998 Committee involved the addition of a few account titles and numerical codes. The chart of accounts to be used by the conservation districts is found in Appendix A, page 16.

The chart of accounts provides a systematic means by which the conservation districts will code their financial transactions. Not all of the titles are intended to be used by all districts. The chart of accounts is intended for use as a "shopping list" for districts to pick and choose those accounts they need to use.

The conservation district chart of accounts is based on fund accounting. Conservation districts work with diverse sources of funds, many of which have explicit purposes for which those funds may be used. Coding all transactions by the appropriate fund allows the district to account for specific resources and their expenses that need to be accounted for in a specific fund.

General funds account for all financial resources commonly considered as part of a district's normal operations. The balance sheet cash accounts are coded 1000-1099; general fund revenue (income) codes are 4000-4999 and general fund expense codes are 6000-6999.

Other funds account for the proceeds of specific sources that are restricted to expenses for specified purposes such as grants. The balance sheet cash accounts for other funds are coded 1100-1199, while their corresponding revenue codes are 7000-7999 and expense codes are 8000-8999.

Coding each transaction by fund allows the district to account for specific income and expenses which are required by law to be accounted for in a specific fund.

These account titles and numerical codes are not to be altered. If you need to add account titles and codes that are not listed, please feel free to do so. Please be sure that any titles and codes that are added are used in the correct main category heading. For example, utility expense has been assigned the expense account number 6001. If you wish to track various utilities separately, you may create a sub-category for each of the items you wish to track. Electricity may have a code of 6001.1; office telephone may use 6001.2; cell phone may use 6001.2.1, etc. This will allow all utilities to be grouped in the proper place, yet allow districts to track them separately.

Chapter 3

Asset, liability and Retained Earnings Accounts

The balance sheet coding controls the asset, liability and equity accounts. This provides the district with a picture of the financial position (net worth) at a specific point in time. These balance sheet accounts include:

- 1) Assets
 - a) Current Assets
 - b) Long-term Assets
- 2) Liabilities
 - a) Current Liabilities
 - b) Long-term Liabilities
- 3) Fund Equity
 - a) Retained Earnings

Capitalization Threshold

A capitalization threshold of \$300.00 has been set for all asset purchases. Assets purchased for less than \$300.00 are not considered long-term assets; they are operating expenses incurred within the fiscal year. Assets valued at \$300.00 or higher when purchased are considered long-term assets and recorded as such. Districts may, at their option, choose to depreciate long-term assets. If a district does choose to depreciate long-term assets, depreciation records should be maintained in the form prescribed.

There are several methods which may be used to determine the depreciation. The simplest method is called the straight-line method. First, you will need to determine the estimated useful life for each piece of equipment or vehicle. Second, you will need to determine the estimated salvage (or residual) value the equipment will have at the end of its useful life. Third, subtract the salvage value from the original cost of the item. Finally, divide the difference between the original cost and salvage value by the number of years of useful life. This is the amount you will need to depreciate each year.

Example:

A drill is purchased for \$25,000. Estimated useful life is 7 years. Salvage value at the end of 7 years is estimated at \$4,000. Original cost minus salvage value is \$21,000 to be divided by useful life of 7 years. The drill will depreciate by \$3,000 each year.

If a district chooses not to depreciate long-term assets, records should be maintained as to the method used for determining the value of the asset from year to year. However, you must remember that if you set the value of a piece of equipment each year, you are in effect, depreciating the value of the equipment, and records must be kept as to how the value was determined.

A complete list of the chart of accounts is found in Appendix A, page 16.

Chapter 4

Revenue and Expense Accounts

The revenue and expense classifications include general fund income and other (extraordinary) fund income.

- 1) General Fund Income (Ordinary Income)
- 2) Other Fund Incomes (Extraordinary Income)
- 3) General Fund Expenses (Ordinary Expenses)
- 4) Other Fund Expenses (Extraordinary Expenses)

Revenues

This classification method provides a means of coding the revenue received by the district from various sources. Revenues are defined as additions to assets which do not increase a liability, do not represent a recovery of a current expense, and do not represent resources received from within the district (moving monies from one fund to another). This coding of revenue sources facilitates the primary functions of revenue accounting which are as follows:

1. To provide a means of verifying receipt of all revenues which should have been received.
2. To furnish information for preparing financial statements.
3. To implement budgeting and planning for the future, by giving necessary information about sources of revenues which have been used, and the amount obtained from each source.

Expenses

The general fund expense account coding (ordinary and extraordinary) provides a means of controlling and identifying what expenses the district has incurred. The coding of expense classifications facilitates the primary functions of expense accounting which are as follows:

1. To provide a means of collecting and recording the expense information in order to satisfy statutory requirements
2. To provide prudent stewardship of funds
3. To meet management needs in regard to making decisions
4. To implement budgeting and planning for the future by giving necessary information about the use of funds and the amount used for each account

Supervisor/District Advisor Expenses

If district supervisors are paid salary or wages, withholding for income tax and social security is required. The wages paid to a supervisor do not include reimbursements for mileage, meals, or lodging as long as the reimbursement does not exceed the rate established by the IRS. If a district withholds these taxes, the public official should receive a W-2 at the end of the year.

If district supervisors receive fees, withholding for income tax is not required, although withholding for social security is required. A 1099 will be issued at the end of the year.

For more information, contact your local IRS office.

District advisors are NOT elected public officials. The IRS considers these persons as employees of the district and their payments are subject to withholding of Social Security, Medicare and income taxes by the district. The district advisors would then receive a W-2 at the end of the year just like any other district employee. Reimbursements for mileage, meals and lodging are not considered wages as long as the reimbursement does not exceed the rate established by the IRS.

A complete list of the chart of accounts is found in Appendix A, page 16.

Chapter 5

Source Documents

The details of financial transactions are usually described on various documents received by or produced within the district. These documents provide "input" into the accounting system. Any document that initiates or controls a financial transaction would normally be considered a source document and would be retained and recorded in the books of original entry. Refer to the "SD Conservation Districts Employee Handbook," Section 7, for complete details on record retention. The division also maintains a record retention schedule which districts may use for a guideline.

Receipts

Receipts should contain the following information:

1. The name of the conservation district.
2. The name of the payer.
3. The date the receipt is written.
4. The number of the receipt. Receipts should be pre-numbered by the printer.
5. The amount received.
6. A description of what the money was received for. This can also include reference to an invoice or statement number.
7. The signature of the person issuing the receipt.
8. The revenue account and account number along with the fund to which the money will be credited.

Receipts should always be issued in duplicate. The payer will receive the original, the district will retain the copy in the receipt book. All copies of voided receipts will also be retained. Money received should be deposited intact (the deposit should equal the total receipts issued since the last deposit). Deposits should be made on a regular basis, preferably daily, but at least weekly.

Claim vouchers

A claim voucher should be prepared for ALL expenses. Vouchers must be coded for the appropriate fund(s) and expense classification(s).

Two declarations are shown on the lower part of the voucher. The first is for the claimant's signature and must be signed for personal services performed by employees, travel reimbursement and contracted services. The appropriate authorized agent of the district may sign claims for supplies and materials under the second declaration.

A checklist for auditing claim vouchers by the conservation district employee or other designated official before they are approved for payment should include, but not be limited to the following:

- 1) Mathematical accuracy
- 2) Legality
- 3) Proper supporting documents
- 4) Proper itemization

- 5) Proper verification
- 6) Sales tax charged (if applicable)
- 7) Discounts available (if applicable)

Formal Review and Checklist

The Conservation Commission has acted to require a formal review of each district's financial records at least once every three years. This review need not be a formal audit by a Certified Public Accountant (CPA), but a poor review could trigger the requirement for a formal audit.

The formal review should be performed using a checklist adopted by the State Conservation Commission. Persons familiar with conservation district records or similar bookkeeping systems should conduct the review. This can include an employee from a different conservation district, a committee of the board of supervisors, or others such as bank employees.

Once a review has been completed, the reviewer should meet with the full board of supervisors to discuss the results of the review.

Copies of the completed checklist should be provided to the district board chairman, the Division of Resource Conservation & Forestry, and one for the district's files.

See Appendix E, page 32 for the checklist form.

CHAPTER 6

Financial Statements

If you want a clear understanding of how your governmental enterprise is doing financially, and you want to be able to predict and plan for the future, a fairly thorough understanding of your financial statements is essential. A sound understanding of financial statements will help you:

- Identify unfavorable trends and tendencies in your governmental enterprise's operations before the situation becomes critical.
- Monitor your cash flow requirements on a timely basis.
- Monitor your performance against your financial plan.

Limitations of financial statements. Keep in mind that your financial statements are only a starting point for analysis. Individual numbers aren't good or bad in themselves — you may have to dig for the reason behind any numbers that seem out of whack. For instance, if your statements shows that your accounts receivable have trended significantly downward over the last few years, it could mean that you're collecting the accounts more aggressively (which is good), or it could mean that you're writing off accounts as bad debts too soon (which is bad). The key is to use your statements to spot trends and abnormalities, and then follow these up with further investigation.

There are two types of financial statements used by the conservation districts – the income statement and the balance sheet. The income statement summarizes the enterprise's revenues and expenses, indicating whether the district ended the reporting period with a net income or a net loss. The balance sheet provides information about an organization's assets, liabilities, and owners' equity and indicates the net worth of the district.

A third financial statement that may be useful to the district is the cash flow statement. The districts are not required to submit this form to the division, however, the district may find this report very helpful. This report will show "cash in, cash out," but will not indicate net income or net loss, nor will it show the net worth of the district. It is simply a technique for the supervisors to see the origin of revenues and expenses. (Where did our money come from, where did it go?)

Income Statement

An income statement shows income and expenses over a period of time, usually a year. It also can show the movement of income and expenses between net worth statements.

An income statement helps determine what amount of money will be available for either savings or investment, or for additional expense during the time period considered. It also can provide the first step in outlining a more detailed budget or cash flow plan. Finally, an income statement can explain the changes between two net worth statements.

While most income statements are done for a year at a time, doing an income statement for shorter or even longer periods of time can make sense in certain situations.

Balance Sheet

The balance sheet, also called a statement of financial position, is a listing of resources (assets) as well as a listing of claims against those resources (liabilities). An important aspect of the balance sheet is that the assets (A) must equal or balance exactly with the total of the claims to the assets (liabilities [L] and district's equity [DE]). ($A=L+DE$)

For example, a certain tree storage shed is an asset worth \$20,000; its unpaid mortgage is a liability of \$15,000, and the equity the district has in the shed is \$5,000.

	<u>Asset</u>	<u>Liability/ Equity</u>
Asset (tree storage shed purchase price)	\$20,000	
Liability (balance due on mortgage)		\$15,000
Equity (total amount of payments to date)		<u>\$5,000</u>
Totals	\$20,000	\$20,000

There are two types of assets - current and fixed. Current assets are those that are considered "liquid" in that they represent cash or near-cash resources that can be used to satisfy obligations. Assets are considered current if they can easily be converted to cash within the accounting period (usually one year). This type of asset includes savings accounts, certificates of deposit, equipment replacement funds, etc. Fixed assets (non-current) are those that do not meet the definition of current assets. The most common fixed assets are land, buildings and equipment.

Cash Flow Statement

The Statement of Cash Flows reports information about cash (and cash equivalents) inflows and outflows during a period of time. This change is shown by starting with all cash at the beginning of the period and adding all changes from **non-cash accounts**. The end result is cash at the end of the period. This report is used for analysis or when applying for a loan.

A healthy cash flow is an essential part of any successful business. Some business people claim that a healthy cash flow is even more important than your governmental enterprise's ability to deliver its goods or services! That may be placing a bit too much importance on your cash flow, but consider this — if you fail to satisfy a customer and lose that customer's business, you can always work harder to please the next customer. But if you fail to have enough cash to pay your suppliers, creditors, or your employees, *you're out of business!* No doubt about it, proper management of your cash flow is a very important step in making your governmental enterprise successful.

Chart of Accounts

General Fund Accounts	17
Current Asset Accounts	17
Fixed Asset Accounts	17
Current Liability Accounts	18
Long Term Liability Accounts	18
General Fund (Ordinary) Revenue Accounts	18
Other Fund (Extraordinary) Revenue Accounts	19
General Fund (Ordinary) Expense Accounts	19
Other Fund (Extraordinary) Expense Accounts	21

CHART OF ACCOUNTS

Asset, Liability and Equity Classifications

Acct. Number Type

GENERAL FUND ACCOUNTS (1000-1099):

1000	Cash/Cash & Deposits
1001	Cash Change
1002	Petty Cash
1003	Savings or Investment Accounts
1004	Certificates of Deposit (CD)

OTHER FUND ACCOUNTS (1100-1199):

1100-1109	Conservation Commission Grant Funds
1110-1119	Cooperative Agreement Funds
1120-1129	DENR/Section 319 Grant Funds
1130-1139	Other Governmental Grant Funds
1140-1149	Private Foundation/Organization Grant Funds
1150-1159	District Generated Fund (from non-general fund income/expense items)
1199	Unemployment Trust Fund

ACCOUNTS RECEIVABLE (1200-1399):

1200	Accounts Receivable – Miscellaneous
1210	Tree Machine Planting Receivable
1211	Tree Hand Planting Receivable
1220	Tree Fabric Receivable
1230	Tree Protector Receivable
1240	Drip Irrigation Receivable
1250	Tree Cultivation Receivable
1260	Tree Chemical Application Receivable
1300	Grass Drill Rental Receivable
1310	Crop Drill Rental Receivable
1330	Flags Receivable
1340	Seed Sales Receivable
1350	Tree Spade Sales Receivable

OTHER CURRENT ASSETS (1400-1599):

1400-1599	Other Current Assets
1401	Inventory

FIXED ASSETS (LONG-TERM) (1600-1799):

1600-1609	Land
1610-1619	Buildings
1710-1719	Accumulated Depreciation-Buildings
1620-1649	Vehicles
1720-1749	Accumulated Depreciation-Vehicles
1650-1689	Machinery
1750-1789	Accumulated Depreciation-Machinery
1690-1699	Office Equipment
1790-1799	Accumulated Depreciation - Office Equipment

Acct. Number Type

CURRENT LIABILITIES (2000-2199):

2000	Accounts Payable
2001	Customer Deposits
2010	Supervisors Medicare Payable
2011	Supervisors IRS Payable
2012	Supervisors FICA Payable
2020	Employees Medicare Payable
2021	Employees IRS Payable
2022	Employees FICA Payable
2023	Retirement Contributions Payable
2100	Sales Tax Payable
2101	Excise Tax Payable

LONG-TERM LIABILITIES (2600-2999):

2600	Land Notes Payable
2610	Building Notes Payable
2620	Vehicle Notes Payable
2650	Machinery Notes Payable
2690	Office Equipment Notes Payable
2700	Other Notes Payable

FUND EQUITY (3999):

3999	Retained Earnings
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Revenue (Income) Classifications

Acct. Number Type

GENERAL FUND INCOME (4000-4999):

4000	County Appropriations
4100-4109	Machine Tree Planting Income
4110-4119	Hand Tree Planting Income
4120-4129	Tree Fabric Income
4130-4139	Tree Protector Income
4140-4149	Drip Irrigation Income
4150-4159	Tree Cultivation Income
4160-4169	Tree Chemical Application Income
4200-4209	Grass Drill Rental Income
4210-4219	Crop Drill Rental Income
4230	Maps
4350	Seed Sales Income
4360	Tree Spade Sales Income
4500	Miscellaneous Income
4510-4519	Interest Income
4520	Advertising Income
4530	Flags Income
4540	Real Property Income
4550	Sale of Fixed Assets (Gain/Loss)

Acct. Number Type

OTHER FUND INCOMES (7000-7999):

7000-7099	Conservation Commission Grants Income
7100-7199	Cooperative Agreements Income
7200-7299	DENR/Section 319 Grants Income
7300-7399	Other Governmental Grants Income
7400-7499	Private Foundation/Organizations Income
7500-7599	District Generated Fund Income
7900	Unemployment Trust Income

Expense Classifications

Acct. Number Type

GENERAL FUND EXPENSES (6000-6999):

<u>600</u>	<u>Office Expenses</u>
6000	Rent
6001	Utilities
6002	Postage
6003	Equipment
6004	Printing & Supplies
6005	Insurance-Bond & Liabilities
<u>601</u>	<u>Supervisor Expenses</u>
6010	Supervisor Per Diem
6011	Supervisor Payroll Tax
6012	Supervisor Mileage
6013	Supervisor Meals
6014	Supervisor Lodging
6015	Supervisor General Expenses
<u>602</u>	<u>Employee Expenses</u>
6020-6029	Employee Wages & Salaries
6030	Employer Payroll Tax
6031	Employee Health Insurance
6032	Employee Retirement Contributions
6035	Employee Mileage
6036	Employee Meals
6037	Employee Lodging
6038	Employee General Expenses
<u>605</u>	<u>Other Expenses</u>
6050	Memberships & Dues
6051	Contributions
6055	Administrative Expenses
6056	Miscellaneous Expenses

Acct. Number Type

<u>607</u>	<u>Information & Education</u>
6070	Newsletter

6071	Contests
6072	Events
6073	Awards & Recognition
6074	Camps/Ed. Opportunities
6075	Advertising
6076	Promotional Materials
<u>611</u>	<u>Tree Planting</u>
6110	Tree Stock
6111	Tree Planting Wages
6112	Tree Planting Gas/Mileage
6113	Tree Planting Repairs
6114	Tree Planting Equipment (less than \$300)
6115	Tree Planting Refund
6116	Tree Planting Miscellaneous Expenses
6117	Tree Storage Facility Repairs
6118	Tree Storage Facility Utilities
<u>612</u>	<u>Tree Fabric</u>
6120	Tree Fabric Stock
6121	Tree Fabric Wages
6122	Tree Fabric Gas/Mileage
6123	Tree Fabric Repairs
6124	Tree Fabric Equipment (less than \$300)
6125	Tree Fabric Refund
6126	Tree Fabric Miscellaneous Expenses
<u>613</u>	<u>Tree Protectors</u>
6130	Tree Protector Stock
<u>614</u>	<u>Drip Irrigation</u>
6140	Drip Irrigation Stock
6141	Drip Irrigation Wages
6142	Drip Irrigation Gas/Mileage
6146	Drip Irrigation Miscellaneous Expenses
<u>615</u>	<u>Tree Cultivation</u>
6151	Tree Cultivation Wages
6152	Tree Cultivation Gas/Mileage
6153	Tree Cultivation Repairs
6154	Tree Cultivation Equip. (less than \$300)
6155	Tree Cultivation Refund
6156	Tree Cultivation Miscellaneous Expenses
<u>616</u>	<u>Tree Chemical</u>
6160	Tree Chemical Stock
6161	Tree Chemical Wages
6162	Tree Chemical Gas/Mileage
6163	Tree Chemical Repairs
6164	Tree Chemical Equipment (less than \$300)
6166	Tree Chemical Miscellaneous Expenses

Acct. Number Type

<u>620</u>	<u>Grass Drills</u>
6201	Grass Drill Wages
6202	Grass Drill Gas/Mileage

6203	Grass Drill Repairs
6204	Grass Drill Equipment (less than \$300)
6206	Grass Drill Miscellaneous Expenses
<u>621</u>	<u>Crop Drills</u>
6211	Crop Drill Wages
6212	Crop Drill Gas/Mileage
6213	Crop Drill Repairs
6214	Crop Drill Equipment (less than \$300)
6216	Crop Drill Miscellaneous Expenses
630	Miscellaneous Equipment Expenses
6301	Miscellaneous Wages
6302	Miscellaneous Gas/Mileage
6303	Miscellaneous Repairs
6304	Miscellaneous Equipment (less than \$300)
6350	Seed Sales Expense
6360	Tree Spade Expense
<u>65</u>	<u>Miscellaneous Expenses</u>
6520	Interest
6530	Flags Stock
6540-6549	Real Property
6550	Depreciation
6560	Bad Debts

OTHER FUND EXPENSES (8000-8999):

Acct. Number	Type
8000-8099	Conservation Commission Grants Expenses
8100-8199	Cooperative Agreements Expenses
8200-8299	DENR/Section 319 Grants Expenses
8300-8399	Other Governmental Grants Expenses
8400-8499	Private Foundation/Organizations Expenses
8500-8599	District Generated Fund Expenses
8900	Unemployment Trust Expenses

Acronyms

ACRONYMS

ARSD	Administrative Rules of South Dakota
CD	Conservation District
DENR	Department of Environment and Natural Resources
GAAP	Generally Accepted Accounting Principles
RC&F	Resource Conservation & Forestry Division of the South Dakota Department of Agriculture
SDACD	South Dakota Association of Conservation Districts
SDACDE	South Dakota Association of Conservation District Employees
SDCL	South Dakota Codified Law
SDDA	South Dakota Department of Agriculture

Definitions

DEFINITIONS

Accrued Expense - an expense incurred for goods or services received during a given period which has not been paid.

Accrued Liabilities - amounts owed for expenses incurred which have not been paid.

Accrued Revenue - revenues earned during an accounting period but not collected until a subsequent accounting period.

Appropriation - a statutory authorization granted by the legislative body to an agency allowing it to incur obligations and make expenditures for specific purposes within a specified period of time and generally for a maximum amount.

Asset Accounts - assets are anything owned or held by the district that has monetary value. An asset account is a ledger sheet bearing the account title and number of the asset and record of transactions.

Assets - the entire resources of the district, including any property, tangible or intangible, of monetary value are considered assets.

Balance Sheet Account - accounts for transactions affecting assets, liabilities and fund balance/equity. These accounts are listed within the chart of accounts.

Budget - a plan of proposed expenditures and the means for financing them with respect to a specific period of time.

Cash - currency, checks, postal and express money orders, and banker's drafts on deposit with the district, or on deposit in the account of a district.

Cash Basis - the basis of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

Chart of Accounts - a numerical listing of all asset, liability, fund balance/equity, revenue and expenditure accounts used to record accounting transactions. The district's chart of accounts is provided in Appendix A.

Current Assets - an asset owned that can readily be converted to cash or will be used up within an annual fiscal period. Examples are cash, accounts receivable, inventory and temporary investments.

Current Liabilities - any debt, which the district will discharge within the space of an annual fiscal period, is considered a current liability.

Depreciation - the portion of the cost of a fixed asset which is charged as an expense during a particular period to reflect the expiration of the life of the asset, attributable to wear and tear, deterioration, inadequacy or obsolescence.

Double Entry - a method of accounting which requires that for every entry made to the debit side of an account(s), an equal entry(ies) be made to the credit side of an account(s).

Equipment - tangible personal property of a non-consumable nature used in the operation of the district. The purchase price of the equipment must be in excess of \$300.

Equity - assets minus liabilities equals the equity or net worth of the district.

Fiscal Year - the twelve month period from January 1 through December 31 of each year.

Fixed Assets - assets of a long term character and non-consumable in nature which are intended to be held or used. These include land, building, improvements, machinery, furniture and other equipment with an initial cost exceeding \$300.

Fund Accounts - all accounts necessary to set forth the financial position and results of operations of a fund.

Generally Accepted Accounting Principles (GAAP) - the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. The principles have developed on the basis of experience, reason, custom, usage, and to a significant extent, practical necessity.

Grant - a contribution made by one entity to another entity. The contribution is usually made to aid in the support of a specified function.

Internal Control - the plan of organization and all of the methods and measures adopted within a fund or agency to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

Inventories - assets which may be held for internal consumption or for resale.

Invoice - the original bill of the vendor indicating the price, description of goods or services sold and terms of the sale. The invoice is used as documentary evidence that the service has been performed or the material received.

Liabilities - legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date.

Modified Accrual - the basis of accounting under which revenues should be recognized in the accounting period in which they become available and measurable. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable.

Retained Earnings - an equity account reflecting the accumulated earnings of a district.

Revenue - additions to assets which do not increase any liability or represent the recovery of an expenditure.

Single Audit Act amendment of 1996 - a federal act passed by Congress in 1996, revising audit requirements for state and local governments which expend a total amount of federal assistance equal to or in excess of \$300,000 in a single year. This Single Audit Act requires the reporting entity to have its federal assistance programs audited on an organization-wide basis rather than on a grant-by-grant basis.

Statute - a law enacted by the Legislature.

Trial Balance - a self-balancing list of the debit and credit balances of the individual accounts in a general ledger.

Vendor - the company or individual who has rendered a service or sold merchandise to a district.

Warrant - a warrant is a negotiable instrument drawn to effect payment of funds held for debts incurred. (A warrant issued by the State is commonly referred to as a check)

Debit - Credit Actions

Debit will:	Credit will:
➤ Increase an asset	➤ Decrease an asset
➤ Decrease a liability	➤ Increase a liability
➤ Decrease equity (net worth)	➤ Increase equity (net worth)
➤ Decrease revenue	➤ Increase revenue
➤ Increase expenditures	➤ Decrease expenditures

Sample Transactions

Examples of Transactions

- 1) Cash purchase of equipment for more than \$300.
 - a) Check is written for the amount of the equipment, coded to the correct asset fund (Cash, #1000, credit)
 - b) Asset being purchased is added to asset list (i.e., long term asset, equipment, #1650, debit)

This transaction does not change the net worth of the district, nor does it change the total value of the district's assets.

- 2) Receiving a loan for purchase of equipment for more than \$300
 - a) Deposit is made for amount of the loan, coded to the correct asset fund (cash, #1000, debit).
 - b) Liability is increased, coded to the correct liability account (i.e., machinery notes payable, #2650, credit).
 - c) Check is written for amount of equipment, coded to the correct asset fund (cash, #1000, credit).
 - d) Asset is increased, coded to the correct asset account (machinery, #1650, debit).
- 3) Making a loan payment for purchase of equipment for more than \$300
 - a) Check is written for amount of loan payment, principal plus interest, coded to the correct asset fund (cash, #1000, credit).
 - b) Liability is decreased by the amount of the principal, coded to the correct liability account (machinery notes payable, #2650, debit).
 - c) Expense is increased by the amount of the interest, coded to the correct expense account (miscellaneous expenses, #6520, debit).
- 4) Recording depreciation taken for one piece of equipment purchased for more than \$300
 - a) Asset is decreased by the amount of the depreciation for one year, coded to the correct asset account (accumulated depreciation - machinery, #1750, credit).
 - b) Expense is increased by the amount of the depreciation for one year, coded to the correct expense account (miscellaneous expenses, #6550, debit).
- 5) Billing a customer for a deposit on services to be provided at a later date (i.e., tree planting)
 - a) Asset is increased by the amount of the deposit to be received (tree machine planting receivable, #1210, debit).
 - b) Liability is increased by the amount of the deposit to be received (customer deposits, #2001, credit).
- 6) Receiving the customer's deposit for services to be provided (i.e., tree planting)
 - a) Asset is increased by the amount of the deposit received (cash, #1000, debit).
 - b) Asset is decreased by the amount of the deposit received (tree machine planting receivable, #1210, credit).

- 7) Sale of a Fixed Asset (outright sale, not used as a trade-in) **If you do not depreciate your equipment, omit the steps concerning accumulated depreciation in #7 and #8**
- Asset is increased by the amount received (cash, #1000, debit)
 - Asset is decreased by the amount received (equipment, #1650, credit)
 - Accumulated depreciation is decreased by the total amount of accumulated depreciation for that piece of equipment.
 - Income account "Sale of Fixed Assets" is increased if you had a gain on the sale (sold the equipment for more than book value). The income account "Sale of Fixed Assets" is decreased (credit) if you had a loss on the sale (sold the equipment for less than book value).

Complete a General Journal entry as follows:

- Debit cash (bank account where money is deposited) for the amount of the sale
- Debit the total amount of accumulated depreciation in the proper asset account
- Credit the appropriate parent asset account for the original cost
- If gain on sale, credit account #4550 – Sale of Fixed Assets
- If loss on sale, debit account #4550 – Sale of Fixed Assets

If you have already recorded the deposit, complete the General Journal entry as follows:

- Debit the total amount of accumulated depreciation in the proper asset account
- Credit the appropriate parent asset account for the amount of the original cost minus the sale price
- If gain on sale, credit account #4550 – Sale of Fixed Assets
- If loss on sale, debit account #4550 – Sale of Fixed Assets

8) Trade-in of a Fixed Asset

- New asset account is created for the new fixed asset original cost
- New asset account is created for the accumulated depreciation for the new fixed asset

Method #1 (preferred)

- Record check written for the new asset, making sure that you enter the correct new asset account for the check. NOTE – this will not be an expense account.
- Complete a General Journal entry as follows:
 - Debit the total amount of Accumulated Depreciation
 - Debit the original cost of the new equipment for any trade-in value allowed
 - Credit the old equipment account for the amount of original cost
 - If gain on sale, credit account #4550 – Sale of Fixed Assets
 - If loss on sale, debit account #4550 – Sale of Fixed Assets

Method #2

- Complete a General Journal entry as follows:
 - Debit the new asset account for the full value of the equipment
 - Debit the total amount of Accumulated Depreciation of the old equipment
 - Credit the old equipment account for the amount of the original cost
 - Credit the cash/checking account for the amount of the check
 - You will need to enter the correct check number as the Journal Entry number
 - If gain on sale, credit account #4550 – Sale of Fixed Assets
 - If loss on sale, debit account #4550 – Sale of Fixed Assets

FORMS and REPORTS

† Formal Review Checklist	32
* Balance Sheet - General Fund	35
* Statement of Revenues (Profit/Loss) Ordinary	37
* Statement of Revenues (Profit/Loss) Extraordinary	41
Information Directory	42
Statement of Cash Flows	43
Record of Assets	46
Bank Reconciliation Form	47

† This form needs to be submitted to the division at least once every three years.

* These forms need to be submitted to the division each year.

* QuickBooks generated standard Balance Sheet and Income Statement reports are acceptable in place of the forms on pages 35 and 37.

FORMAL REVIEW CHECKLIST OF FINANCIAL RECORDS

Conservation district being reviewed: _____

Name of Reviewer: _____ Position: _____

Address: _____

Period reviewed: _____ (date) to _____ (date)

Section A. Please circle the correct response to the following controls and write in the correct information where necessary:

1. Yes No Is the conservation district using the chart of accounts and forms prescribed by the State Conservation Commission?

If no, explain: _____

2. Yes No Are computer files backed up, or copies made of paper records (general journal) to avoid the risk of losing accounting data?

How often are backups performed or papers copied? _____

3. Yes No Is the computer backup or paper copies stored off-site or in an otherwise secure place?

4. Yes No Are the necessary reports produced after each posting or is the data retained in such a manner that they may be produced upon demand?

5. Yes No Is a record of file maintenance produced? Such a record should document the specific changes made to various accounts in a manner similar to a general journal.

6. Yes No Was the audit trail printed and reviewed?

7. Yes No Is the district protected by bond insurance?

If yes, name who is bonded and their position with the district.

_____ (name)

_____ (position)

Section B. Please circle the correct response to the description of the cash and revenue systems and the related controls:

1. Yes No Are there adequate provisions for the physical security of cash assets on hand in the office?

Explain: _____

2. Yes No If a petty cash fund is maintained, does the balance of cash plus expense

receipts total the amount established by the board?

3. Yes No Is a bank reconciliation performed on a monthly basis?
If no, explain: _____
4. Yes No Is evidence of this reconciliation retained?
5. Yes No Are restrictive endorsements placed upon each check when it is received?
6. Yes No Are duplicate pre-numbered receipts issued for all revenues, even revenue that is non physically received (i.e., passbook interest)
7. Yes No Are all receipts deposited timely and intact?
8. Yes No Are receipts accounted for and balanced to collections at the time each deposit is made?
9. Yes No Is evidence of this step documented?
10. Yes No Are actual revenues compared to budgeted amounts periodically with the results submitted to the governing board?
11. Yes No After a random check of 10% of the receipts, do the paper documents correspond to the journal entries?
12. Yes No Has a subsidiary accounts receivable record been established to track the balance owed by the various customers of the district?

Section C. Please circle the correct response to the following description of the expense and payroll systems and the related controls and write in the correct information where necessary:

1. Yes No Are the unused check blanks stored in a secure place?
2. Yes No Are voided/spoiled checks properly voided and retained?
3. Yes No Are signature stamps used?
Yes No If yes, are they under the direct physical control of the signer?
4. Yes No Are check blanks pre-numbered by the printer?
5. Yes No Are two approved signatures on each issued check?
6. Yes No Are checks signed AFTER they are prepared?
7. Yes No Are there any signed BLANK checks in the office?
8. Yes No Are actual expenses compared to budget amounts periodically and submitted to the governing board for approval? (Statement should be attached to the official minutes)

- 9. Yes No Are invoices signed by the employee involved in that transaction to attest to its accuracy?
- 10. Yes No Is a claimant's signature obtained for all expenditures that involve travel or services rendered?
- 11. Yes No Is a perjury statement also present ("I declare and affirm under the penalties of perjury that this claim has been examined by me, and to the best of my knowledge and belief, is in all things true and correct. I further agree to comply with the provision of the Civil Rights Acts of 1964 and regulations issued thereunder relating to non-discrimination in federally assisted programs.")
- 12. Yes No Are bills/invoices examined by the governing board prior to approval?
- 13. Yes No Is evidence of this step documented by their initials?
- 14. Yes No After a random check of 10% of the vouchers, do the paper documents correspond to the journal entries?
- 15. Yes No Are time card/sheets prepared by hourly employees and signed by the employee and the applicable supervisor?
- 16. Yes No Are adequate vacation and sick leave records maintained?
- 17. Yes No Is a fixed asset record maintained in the form prescribed by the State Conservation Commission?

STATEMENT OF REVIEWER

I have reviewed the records of the _____ Conservation District, and I do/do not recommend further review.

 Reviewer (Signature)

STATEMENT OF BOARD OF SUPERVISORS

This checklist has been discussed by the Board of the _____ Conservation District on _____ (date).

 Chairman of the Board (Signature)

_____ CONSERVATION DISTRICT

BALANCE SHEET -- GENERAL FUND

DECEMBER 31, _____

(Bold, underscore indicates proposed new accounts)

ASSETS:

Current Assets

1000	Cash/Cash & Deposits	\$ _____
1001	Cash Change	\$ _____
1002	Petty Cash	\$ _____
1003	Savings Accounts	\$ _____
1004	Certificates of Deposit (CD)	\$ _____
1200	Accounts Receivable	\$ _____
1210	Tree Machine Planting Receivable	\$ _____
1211	Tree Hand Planting Receivable	\$ _____
1220	Tree Fabric Receivable	\$ _____
1230	Tree Protector Receivable	\$ _____
1240	Drip Irrigation Receivable	\$ _____
1250	Tree Cultivation Receivable	\$ _____
1260	Tree Chemical Application Receivable	\$ _____
1300	Grass Drill Rental Receivable	\$ _____
1310	Crop Drill Rental Receivable	\$ _____
1320	Land Construction Receivable	\$ _____
1330	Flags Receivable	\$ _____

Other Current Assets (1400-1599):

1401	Inventory	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
	Total Current Assets	\$

Fixed Assets

	Land (1600-1609):	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
	Buildings (1610-1619):	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
1710	Accumulated Depreciation-Buildings (Credit)	\$ _____
	Vehicles (1620-1649):	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
1720	Accumulated Depreciation-Vehicles (Credit)	\$ _____
	Machinery (1650-1689):	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
1750	Accumulated Depreciation-Machinery (Credit)	\$ _____
	Office Equipment (1690-1699):	\$ _____
_____	_____	\$ _____

		\$
		\$
1790	Accumulated Depreciation-Off. Equip. (Credit)	\$
Total Fixed Assets		\$

TOTAL ASSETS \$ ←

LIABILITIES AND EQUITY:

Current Liabilities:

2000	Accounts Payable	\$
2001	Customer Deposits	\$
2010	Supervisors Medicare Payable	\$
2011	Supervisors IRS Payable	\$
2012	Supervisors FICA Payable	\$
2020	Employees Medicare Payable	\$
2021	Employees IRS Payable	\$
2022	Employees FICA Payable	\$
2023	Retirement Contributions Payable	\$
2100	Sales Tax Payable	\$
2101	Excise Tax Payable	\$
Total Current Liabilities		\$

Long-Term Liabilities:

2600	Land Notes Payable	\$
2610	Building Notes Payable	\$
2620	Vehicle Notes Payable	\$
2650	Machinery Notes Payable	\$
2690	Office Equipment Notes Payable	\$
2700	Other Notes Payable	\$
Total Long-Term Liabilities		\$

Fund Equity:

3999	Retained Earnings	\$
Total Fund Equity		\$

TOTAL LIABILITIES AND EQUITY \$ ←

→ These two amounts **MUST BALANCE**

Conservation District

PROFIT/LOSS STATEMENT (Ordinary)
FOR PERIOD ENDED DECEMBER 31, _____

Function	Activity	Budgeted	Actual	
General Fund (Ordinary) Revenues				
<u>40</u>	<u>Intergovernmental Revenue</u>	\$ _____	\$ _____	
	4000 County Appropriations			
	Subtotal	\$ 	\$ 	Line 1
<u>41</u>	<u>Charges for Goods & Services</u>			
	4100-4109 Machine Tree Planting	\$ _____	\$ _____	
	4110-4119 Hand Tree Planting	\$ _____	\$ _____	
	4120-4129 Tree Fabric	\$ _____	\$ _____	
	4130-4139 Tree Protector	\$ _____	\$ _____	
	4140-4149 Drip Irrigation	\$ _____	\$ _____	
	4150-4159 Tree Cultivation	\$ _____	\$ _____	
	4160-4169 Tree Chemical Application	\$ _____	\$ _____	
	4200-4209 Grass Drill Rental	\$ _____	\$ _____	
	4210-4219 Crop Drill Rental	\$ _____	\$ _____	
	4220-4229 Land Construction	\$ _____	\$ _____	
	4230 Maps	\$ _____	\$ _____	
	4350 Seed Sales	\$ _____	\$ _____	
	4360 Tree Spade	\$ _____	\$ _____	
	Subtotal	\$ 	\$ 	Line 2
<u>45</u>	<u>Other Revenue</u>			
	4500 Miscellaneous Income	\$ _____	\$ _____	
	4510-4519 Interest	\$ _____	\$ _____	
	4520 Advertising	\$ _____	\$ _____	
	4530 Flags	\$ _____	\$ _____	
	4540 Real Property	\$ _____	\$ _____	
	4550 Sale of Fixed Assets	\$ _____	\$ _____	
	Subtotal	\$ 	\$ 	Line 3
	Total lines			
TOTAL ORDINARY REVENUES Total lines 1, 2 & 3		- \$ - 	- \$ - 	Line 4
 Expenses				
<u>600</u>	<u>Office Expenses</u>			
	6000 Rent	\$ _____	\$ _____	
	6001 Utilities	\$ _____	\$ _____	
	6002 Postage	\$ _____	\$ _____	
	6003 Equipment	\$ _____	\$ _____	
	6004 Printing & Supplies	\$ _____	\$ _____	
	6005 Insurance-Bond & Liabilities	\$ _____	\$ _____	
	Subtotal	\$ 	\$ 	Line 5

<u>601</u>	<u>Supervisor Expenses</u>		
6010	Supervisor Per Diem	\$ _____	\$ _____
6011	Supervisor Payroll Tax	\$ _____	\$ _____
6012	Supervisor Mileage	\$ _____	\$ _____
6013	Supervisor Meals	\$ _____	\$ _____
6014	Supervisor Lodging	\$ _____	\$ _____
6015	Supervisor General Expenses	\$ _____	\$ _____
	Subtotal	\$ _____	\$ _____
			Line 6
<u>602</u>	<u>Employee Expenses</u>		
6020-6029	Employee Wages & Salaries	\$ _____	\$ _____
6030	Employer Payroll Tax	\$ _____	\$ _____
6031	Employee Health Insurance	\$ _____	\$ _____
6032	Employee Retirement Contribution	\$ _____	\$ _____
6035	Employee Mileage	\$ _____	\$ _____
6036	Employee Meals	\$ _____	\$ _____
6037	Employee Lodging	\$ _____	\$ _____
6038	Employee General	\$ _____	\$ _____
	Subtotal	\$ _____	\$ _____
			Line 7
<u>605</u>	<u>Other Expenses</u>		
6050	Memberships & Dues	\$ _____	\$ _____
6051	Contributions	\$ _____	\$ _____
6055	Administrative Expenses	\$ _____	\$ _____
6056	Miscellaneous Expenses	\$ _____	\$ _____
	Subtotal	\$ _____	\$ _____
			Line 8
<u>607</u>	<u>Information & Education</u>		
6070	Newsletter	\$ _____	\$ _____
6071	Contests	\$ _____	\$ _____
6072	Events	\$ _____	\$ _____
6073	Awards & Recognition	\$ _____	\$ _____
6074	Camps/Ed. Opportunities	\$ _____	\$ _____
6075	Advertising	\$ _____	\$ _____
6076	Promotional Materials	\$ _____	\$ _____
	Subtotal	\$ _____	\$ _____
			Line 9
<u>611</u>	<u>Tree Planting</u>		
6110	Tree Stock	\$ _____	\$ _____
6111	Tree Planting Wages	\$ _____	\$ _____
6112	Tree Planting Gas/Mileage	\$ _____	\$ _____
6113	Tree Planting Repairs	\$ _____	\$ _____
6114	Tree Planting Equipment (<\$300)	\$ _____	\$ _____
6115	Tree Planting Refund	\$ _____	\$ _____
6116	Tree Planting Misc. Expenses	\$ _____	\$ _____
6117	Tree Storage Facility Repairs	\$ _____	\$ _____
6118	Tree Storage Facility Utilities	\$ _____	\$ _____
	Subtotal	\$ _____	\$ _____
			Line 10

<u>612</u>	<u>Tree Fabric</u>		
	6120	Tree Fabric Stock	\$ _____ \$ _____
	6121	Tree Fabric Wages	\$ _____ \$ _____
	6122	Tree Fabric Gas/Mileage	\$ _____ \$ _____
	6123	Tree Fabric Repairs	\$ _____ \$ _____
	6124	Tree Fabric Equipment (<\$300)	\$ _____ \$ _____
	6125	Tree Fabric Refund	\$ _____ \$ _____
	6126	Tree Fabric Misc. Expenses	\$ _____ \$ _____
	Subtotal		\$ _____ \$ _____ Line 11
<u>613</u>	<u>Tree Protector</u>		
	6130	Tree Protector Stock	\$ _____ \$ _____
	Subtotal		\$ _____ \$ _____ Line 12
<u>614</u>	<u>Drip Irrigation</u>		
	6140	Drip Irrigation Stock	\$ _____ \$ _____
	6141	Drip Irrigation Wages	\$ _____ \$ _____
	6142	Drip Irrigation Gas/Mileage	\$ _____ \$ _____
	6146	Drip Irrigation Misc. Expenses	\$ _____ \$ _____
	Subtotal		\$ _____ \$ _____ Line 13
<u>615</u>	<u>Tree Cultivation</u>		
	6151	Tree Cultivation Wages	\$ _____ \$ _____
	6152	Tree Cultivation Gas/Mileage	\$ _____ \$ _____
	6153	Tree Cultivation Repairs	\$ _____ \$ _____
	6154	Tree Cultivation Equip. (<\$300)	\$ _____ \$ _____
	6155	Tree Cultivation Refund	\$ _____ \$ _____
	6156	Tree Cultivation Misc. Expenses	\$ _____ \$ _____
	Subtotal		\$ _____ \$ _____ Line 14
616	Tree Chemical		
	6160	Tree Chemical Stock	\$ _____ \$ _____
	6161	Tree Chemical Wages	\$ _____ \$ _____
	6162	Tree Chemical Gas/Mileage	\$ _____ \$ _____
	6163	Tree Chemical Repairs	\$ _____ \$ _____
	6164	Tree Chemical Equipment (<\$300)	\$ _____ \$ _____
	6166	Tree Chemical Misc. Expenses	\$ _____ \$ _____
	Subtotal		\$ _____ \$ _____ Line 15
620	Grass Drills		
	6201	Grass Drill Wages	\$ _____ \$ _____
	6202	Grass Drill Gas/Mileage	\$ _____ \$ _____
	6203	Grass Drill Repairs	\$ _____ \$ _____
	6204	Grass Drill Equipment (<\$300)	\$ _____ \$ _____
	6206	Grass Drill Misc Expenses	\$ _____ \$ _____
	Subtotal		\$ _____ \$ _____ Line 16

621	Crop Drills		
6211	Crop Drill Wages	\$ _____	\$ _____
6212	Crop Drill Gas/Mileage	\$ _____	\$ _____
6213	Crop Drill Repairs	\$ _____	\$ _____
6214	Crop Drill Equipment (<\$300)	\$ _____	\$ _____
6216	Crop Drill Misc. Expenses	\$ _____	\$ _____
	Subtotal	\$ <input type="text"/>	\$ <input type="text"/> Line 17
622	Land Construction		
6221	Land Construction Wages	\$ _____	\$ _____
6222	Land Construction Gas/Mileage	\$ _____	\$ _____
6223	Land Construction Repairs	\$ _____	\$ _____
6224	Land Construct. Equip. (<\$300)	\$ _____	\$ _____
6226	Land Construction Misc. Expenses	\$ _____	\$ _____
	Subtotal	\$ <input type="text"/>	\$ <input type="text"/> Line 18
630	Miscellaneous Equipment Expenses	\$ _____	\$ _____
6301	Miscellaneous Wages	\$ _____	\$ _____
6302	Miscellaneous Gas/Mileage	\$ _____	\$ _____
6303	Miscellaneous Repairs	\$ _____	\$ _____
6304	Miscellaneous Equipment (less than \$300)	\$ _____	\$ _____
6350	Seed Sales Expense	\$ _____	\$ _____
6360	Tree Spade Expense	\$ _____	\$ _____
	Subtotal	\$ <input type="text"/>	\$ <input type="text"/> Line 19
65	Miscellaneous Expenses		
6520	Interest	\$ _____	\$ _____
6530	Flags Stock	\$ _____	\$ _____
6540-6549	Real Property	\$ _____	\$ _____
6550	Depreciation	\$ _____	\$ _____
6560	Bad Debts	\$ _____	\$ _____
	Subtotal	\$ <input type="text"/>	\$ <input type="text"/> Line 20
TOTAL ORDINARY EXPENSES (Total lines 5 through 20)		\$ - - - - -	\$ - - - - - Line 21
Carry forward Total Revenues (Line 4)		\$ <input type="text"/>	\$ <input type="text"/> Line 22
Carry forward Total Expenses (Line 21)		\$ <input type="text"/>	\$ <input type="text"/> Line 23
NET INCOME (LOSS) from General Fund		\$ <input type="text"/>	\$ <input type="text"/> Line 24
Line 22 minus line 23			
If revenues are greater = net income (positive number). If expenses are greater = net loss (negative number)			

PROFIT/LOSS STATEMENT (Extraordinary)
FOR PERIOD ENDED DECEMBER 31, _____

Other Fund (Extraordinary) Revenues

7000-7099	Conservation Commission Grants	\$ _____	\$ _____
7100-7199	Cooperative Agreements	\$ _____	\$ _____
7200-7299	DENR/Section 319 Grants	\$ _____	\$ _____
7300-7399	Other Governmental Grants	\$ _____	\$ _____
7400-7499	Private Foundation/Organizations	\$ _____	\$ _____
7500-7599	District Generated Fund Income	\$ _____	\$ _____
7900	Unemployment Trust Income	\$ _____	\$ _____
Subtotal Other Fund Revenues		\$ _____	\$ _____ Line 25

Other Fund (Extraordinary) Expenses

8000-8099	Conservation Commission Grants	\$ _____	\$ _____
8100-8199	Cooperative Agreements	\$ _____	\$ _____
8200-8299	DENR/Section 319 Grants	\$ _____	\$ _____
8300-8399	Other Governmental Grants	\$ _____	\$ _____
8400-8499	Private Foundation/Organizations	\$ _____	\$ _____
8500-8599	District Generated Fund	\$ _____	\$ _____
8900	Unemployment Trust	\$ _____	\$ _____
Subtotal Other Fund Expenses		\$ _____	\$ _____ Line 26

Carry forward Other Fund Revenues (Line 25)	\$ _____	\$ _____ Line 27
---	----------	---

Carry forward Other Fund Expenses (Line 26)	\$ _____	\$ _____ Line 28
---	----------	---

NET INCOME (LOSS) from Other Funds <small>Line 27 minus line 28</small>	\$ _____	\$ _____ Line 29
--	----------	---

If revenues are greater = net income (positive number).
If expenses are greater = net loss (negative number)

TOTAL DISTRICT NET INCOME (LOSS) Line 24 plus line 29	\$ _____	_____
--	----------	-------

INFORMATION DIRECTORY

This page is intended to clarify what information should be sent to whom.

INFORMATION REQUESTED	Division of RC&F	NRCS Field Support Offices	NRCS State Office	SDACD	SDACD Area Director
Annual Work Plan (by March 1 of each year)	✓	Check with your NRCS office		✓	
Annual Progress Report (by March 1 of each year)	✓	Check with your NRCS office		✓	
Annual Financial Report (balance sheet and profit/loss statement) (by March 1 of each year)	✓	Check with your NRCS office		✓	
Teacher of the Year				✓	
Auxiliary Dues				✓	
SDACD Dues				✓	
Endowment Fund Donations				✓	
Goodyear Applications				✓	
Long Range Plans	✓	Check with your NRCS office	✓	✓	✓
Board Meeting Minutes	✓	Check with your NRCS office	✓	✓	
District Newsletters	✓	Check with your NRCS office	✓	✓	
Speech Contest Finalists (see current contest brochure for deadline)	✓				
Supervisor Elections	✓				
Tree Research Money				✓	

It is optional, BUT NOT NECESSARY, to send minutes and newsletters to the SDACD officers.

STATEMENT OF CASH FLOWS

You are not required to prepare or submit the following form to the Division. It is included for your information only.

Many supervisors wish to see where their money comes from and where it goes. The income statement does not include payments made for capital purchases (machinery, computers, vehicles, office equipment, etc. with a purchase value over \$300). A statement of cash flows does show those items.

A statement of cash flows helps users of the report compare, evaluate, and predict cash flows, especially when comparing several years. The district will be better able to assess their ability to settle its liabilities. Over time, the statement of cash flows allows the district to observe and analyze management's policies.

This report will also provide information useful in evaluating the district's financial flexibility - the ability to generate sufficient amounts of cash to respond to unanticipated needs and opportunities.

The report is best when used monthly, with a compilation done for the end of the year.

Sample Cash Flow Budget Worksheet

	2000	
	January	February
1. Beginning Cash Balance	\$ _____	\$ _____
2. Cash Receipts (Income):		
a. County Appropriations	\$ _____	\$ _____
b. Charges for Goods/Services	\$ _____	\$ _____
c. Other:	\$ _____	\$ _____
3. Total Cash Receipts	\$ _____	\$ _____
4. Total Cash Available	\$ _____	\$ _____
5. Cash Expenditures (Expenses):		
a. Office Expenses	\$ _____	\$ _____
b. Supervisor Expenses	\$ _____	\$ _____
c. Employee Expenses	\$ _____	\$ _____
d. Other Expenses	\$ _____	\$ _____
e. I&E	\$ _____	\$ _____
f. Tree Planting	\$ _____	\$ _____
g. Tree Fabric	\$ _____	\$ _____
h. Tree Protector	\$ _____	\$ _____
i. Drip Irrigation	\$ _____	\$ _____
j. Tree Cultivation	\$ _____	\$ _____
k. Tree Chemical	\$ _____	\$ _____
l. Grass Drills	\$ _____	\$ _____
m. Crop Drills	\$ _____	\$ _____
n. Land Construction	\$ _____	\$ _____
o. Miscellaneous	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____
Other Cash Out Flows:		
Capital Purchases	\$ _____	\$ _____
Loan Principal Payment	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____
Total Cash Outflows	\$ _____	\$ _____
Ending Cash Balance	\$ _____	\$ _____

Cash Flow Statement Explanation Sheet

ITEM	EXPLANATION	EXAMPLE
1. Beginning Cash Balance (Beginning of Month)	Cash on hand taken from #10 of the previous year (or month)	\$16,478.32
2. Cash Receipts		
a. County appropriations	All cash received from the County Commission	\$21,000.00
b. Charges for Goods/Services	Amount collected from all sales	\$38,792.65
c. Other Revenue	Indicate here all cash receipts not shown in 2a. or 2b. above	\$4,248.51
3. Total Cash Receipts (#2a+#2b+#2c)	Self-explanatory	\$64,041.16
4. Total Cash Available (#1+#3)	Self-explanatory	\$80,519.48
5. Cash Expenditures		
a. Office Expenses		-\$6,133.07
b. Supervisor Expenses		-\$1,145.67
c. Employee Expenses		-\$19,236.28
d. Other Expenses		-\$3,865.51
e. I&E		-\$1,223.00
f. Tree Planting		-\$9,288.80
g. Tree Fabric		-\$5,219.62
h. Tree Protector		-\$0.00
i. Drip Irrigation		-\$0.00
j. Tree Cultivation		-\$330.00
k. Tree Chemical		-\$155.27
l. Grass Drills		-\$4952.65
m. Crop Drills		-\$448.93
n. Land Construction		-\$0.00
o. Miscellaneous		-\$0.00
6. Subtotal Cash Expenditures (#5a thru #5o)		(\$51,998.80)
7. Other Cash Expenditures		
a. Capital Purchases	Any equipment purchased (drills, tractors, vehicles, computers, etc. with purchase price over \$300)	-\$23,650.00
b. Loan principal Payment	List only loan principal, interest is included in 6560, interest expense under miscellaneous expenses	-\$1,500.00
8. Subtotal Other Cash Expenditures (#7a + #7b)		(\$25,150.00)
9. Total Cash Paid Out (#6+#8)		(\$77,148.80)
10. Ending cash balance (#4 minus #9)		\$3,370.68

RECORD OF ASSETS

ITEM: _____

From Whom Purchased _____ Estimated Life: _____

Estimated Scrap or Trade in Value \$ _____ Depreciation per year \$ _____

Date	Explanation	ASSET			Accumulated Depreciation			Book Value
		Debit	Credit	Balance	Debit	Credit	Balance	

RECONCILIATION FORM

_____ Conservation District
 For Period Ending: _____
 Checking or Savings Account Number _____
(Circle either checking or savings)

To reconcile your checking or savings account, follow these simple steps:

1. Subtract from your checkbook or passbook register any service, miscellaneous or automatic charges shown on the statement.
2. Mark (✓) your register after each item shown on the front of the statement.
3. Compare the deposits in your check register to those on the front of the statement, noting any differences. Add the interest shown (if any) on the statement to your check register.
4. Complete the form below.

=====

Ending Balance (from the bank statement)	\$ _____	Line 1
--	----------	--------

Deposits made after ending on the statement	\$ _____	
	\$ _____	
	\$ _____	
	\$ _____	

Subtotal:	\$ _____	Line 2
-----------	----------	--------

Add Lines 1 and 2	\$ _____	Line 3
--------------------------	-----------------	--------

Checks and other items not listed on this or prior statements:

Number	Amount	Number	Amount
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____

Total items not yet listed:	\$ _____	Line 4
------------------------------------	-----------------	--------

Subtract total items not yet listed from sub-total above
 (subtract line 4 from line 3)

\$ _____

This amount should agree with
the balance in your check register

SAMPLES OF FORMS and REPORTS

VOUCHER

_____ Conservation District
 PO Box 123
 Anytown, SD 57000-0000
 605-000-0000

Number	Date
<i>(Check #)</i>	<i>(Check date)</i>

To: (Employee Name)

Code	Itemized Description of Materials and Supplies or Personal Services and Travel Information	Amount

I declare and affirm under the penalties of perjury that this claim has been examined by me, and to the best of my knowledge and belief is in all things true and correct. I further agree to comply with the provisions of the Civil Rights Act of 1964 and regulations issued thereunder relating to non-discrimination in federally assisted programs.

Date: _____ Signature of Claimant _____

I declare and affirm under the penalties of perjury that this claim has been examined by me, and to the best of my knowledge and belief is in all things true and correct. I further certify that the above services were rendered, or that the above listed materials were received in an acceptable condition, and that the above claim is hereby approved by me for payment this _____ day of _____. Signed: _____

Approved for payment by conservation district board action on _____ with check number _____

Signature or initial of conservation district officer: _____

Signature or initial of authorized district employee: _____

Suggested References

NAME	ADDRESS	PHONE	TYPE OF QUESTION
SD Dept. of Agriculture, Resource Conservation & Forestry	523 E. Capitol Ave. Pierre, SD 57501	605-773-3623	<ul style="list-style-type: none"> • Accounting • Financial Reports
SD Department of Revenue	445 E. Capitol Ave. Pierre, SD 57501	800-829-9188	<ul style="list-style-type: none"> • Sales Tax
SD Department of Labor	Check your local phone book	Check your local phone listing	<ul style="list-style-type: none"> • Labor Laws
IRS	Check your local phone book	800-829-1040	<ul style="list-style-type: none"> • Tax Law • Wage Reporting
Social Security Administration	Check your local phone book	800-772-1213	<ul style="list-style-type: none"> • Social Security Withholding

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