

Principles of Managing Non-appropriated Funds Collected by Kansas Extension Council Boards/District Governing Bodies

What are non-appropriated funds?

Any funds, outside of appropriated tax dollars, collected by the Extension Board/Governing Body for Extension education purposes: i.e. fees, registrations. Any funds collected and dispensed by Extension affiliated groups: (4-H and Master Gardeners are the most frequent).

Extension Boards/Governing Bodies are no longer to be managing the funds of FCE groups, livestock marketing groups, and marketing clubs. It is highly recommended that junior livestock auction sales be managed by the Fair Association or a committee so designated by the Fair Association rather than Extension Board/Governing Body or one of its affiliated groups.

Principle #1

Extension Council Boards/District Governing Bodies are accountable for all non-appropriated funds generated for Extension programs within their jurisdictions. This includes all funds collected/raised in the name of Extension 4-H Youth Programs or that bear the 4-H emblem.

Principle #2

Agents should not be signatory on any fund accounts, whether appropriated or non-appropriated. Extension Board/Governing Body personnel, such as office professionals, must not have sole ability to withdraw funds. All accounts should require at least two signatures (non-related) for withdrawals.

Principle #3

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

All Extension entities (such as 4-H Clubs, Councils, etc.) must have their own employer identification number from the Internal Revenue Service. Personal Social Security numbers may not be used for these groups. All affiliated groups are responsible for reports (990) to the Internal Revenue Service: for groups with gross receipts of \$25,000 or less an IRS Form 990-N (e-postcard) must be filed.

Principle #5

All Extension affiliated accounts should periodically be reviewed by approved representative of the Extension Council Board/District Governing Body. This includes all 4-H entities. Forms to do this are in the 4-H Club Treasurers book.

Additional information:

Four-H money (money raised in the name of 4-H) must not be commingled with non-4-H money. Four-H units must be registered with National 4-H Headquarters and the IRS to be included in the National Group Exemption for 4-H (needed to maintain non-profit status). To do this 4-H units register through the State 4-H Office. The State 4-H Office is responsible for sending on the official list to National 4-H Headquarters who notifies IRS. The local Extension Agent has the needed forms and procedures.