

## Guidance for Support or Donations for using County Agricultural Extension District Funds

County Agricultural Extension Districts often are invited to participate in community efforts that request financial support or donations. Not all requests are appropriate to financially support due to our requirements how to manage public funds. Councils are strongly encouraged to deliberate carefully before supporting financially. This document will help guide you through the important decision-making process.

**MISSION:** ISU Extension and Outreach builds a strong Iowa by engaging all Iowans in research, education, and extension experiences to address current and emerging real-life challenges.

### Introduction (Fiscal Policy and Procedures)

The Cooperative Extension System in partnership with the United States Department of Agriculture-National Institute of Food and Agriculture, Iowa State University Extension and Outreach, and the County Agricultural Extension Districts are public agencies created by federal and state law. These agencies are supported by tax dollars and therefore are subject to the open records law for public funds.

County agricultural extension council members, here after referred to as extension council, are elected at-large during the general election and as elected officials are held accountable for the use of public funds. Extension council members may have to answer questions from auditors regarding the accountability of the public funds held within the county extension account(s).

Extension council has the responsibility to administer a sound and efficient financial management system, which best utilizes available resources and provides an acceptable service level to the citizens of the extension district. Furthermore, it has a responsibility to minimize financial and legal risk related to public funds. One method of risk prevention is to develop, implement, and maintain sound fiscal policies and procedures for the operation of county extension programs. To be effective, these policies and procedures must include all money held or passing through the county extension office and be:

- Based on the Iowa Code 176A and Generally Accepted Accounting Principles (GAAP).
- Adopted by the extension council.
- Communicated to all employees, volunteer groups and cooperating entities to provide guidance and direction in accepting and spending public funds.
- Implemented in a consistent and effective manner.

## Resources for Guidance

### Public Funds

Public funds include all the monies managed by the extension council, not just tax dollars. All public funds held by the extension council can only be managed by the council and not by a separate entity on their behalf.

[Iowa Code 12C.1 – Public Funds](#)

[Fiscal Policy 2.3 – Definition of Public Funds](#)

Public Funds, as defined in Iowa Code, Chapter 12C.1, are those funds owned by a public entity such as an extension district. This includes **both tax and non-tax monies**. All monies generated by users of the district entity **are owned by the district**, not the user, and are under the control of the extension council. All public funds are the legal responsibility of the extension council. **Legal responsibility assigned by law cannot be transferred by extension council action.**

### Expending County Extension Funds

All monies under the control of the extension council may only be spent on items connected with carrying out Extension programs.

[Iowa Code 176A.8 \(numbers 7 & 12\)](#) – Powers and duties of county agricultural extension council

7. To and shall be responsible for the preparation and adoption of the educational program on extension work in agriculture, home economics and 4-H club work, and periodically review said program and for the carrying out of the same in cooperation with the extension service in accordance with the memorandum of understanding with said extension service.

12. To expend the “county agricultural extension education fund” for salaries and travel, expense of personnel, rental, office supplies, equipment, communications, office facilities and services, and in payment of such other items as shall be **necessary to carry out the extension district program**; provided, however, it shall be unlawful for the county agricultural extension council to lease any office space which is occupied or used by any other farm organization or farm cooperative, and provided further, that it shall be lawful for the county agricultural extension council to lease space in a building owned or occupied by a farm organization or farm cooperative.

### 4-H Club Fundraising and Expenditures

#### Financial Guidelines for 4-H Clubs (4HP 3000)

All money raised using the 4-H name and emblem must be used only for 4-H activities. Because these funds belong to a club that is publicly accountable, the funds must not be used in any way to enrich individuals. This means that money may not be given out to individual club members or others, but must be used to pay for educational programs, activities, workshops or 4-H club supplies.

## Appropriate Use of 4-H Club Funds (4HP 3030)

Federal regulations (7. C.F.R. 8) specify all money raised by 4-H clubs using the 4-H Name and Emblem must be used for educational activities for 4-H members. Fundraisers must be approved by the Extension Council or its designee. If a club raises funds for a specific cause, all publicity or signage must state clearly the funds will be donated to another organization and not to the 4-H club.

4-H Guidance: [4-H Financial Management](#)

### Iowa 4-H Foundation Accounts

*\*The Iowa 4-H Foundation is a non-profit 501(c)(3) organization. We represent an educational program serving young people in grades K-12. If your company only matches to higher educational institutions, you can make your check payable to the Iowa State University Foundation and designate your gift to Iowa 4-H Foundation.*

## Sponsoring or Engaging with Organizations

The Extension Council has limitations how it can use its funds, including support of working with other organizations only when it is for the express purpose of carrying out Extension activities and education.

### [Iowa Code 176A.9 \(number 5\) – Limitation on powers and activities of extension council](#)

5. The extension council and its employed personnel may cooperate with, give information and advice to organized and unorganized groups, but shall not promote, sponsor or engage in the organization of any group for any purpose except the promoting, organization and the development of the programs of 4-H clubs. Nothing in this chapter shall prevent the county extension council or extension agents employed by it from using or seeking opportunities to reach an audience of persons interested in agricultural extension work through the help of interested farm organizations, civic organizations or any other group: Provided, that in using or seeking such opportunities, the county extension council or agents employed by it shall make available to all groups and organizations in the county equal opportunity to cooperate in the educational extension program.

## Questions to ask when in doubt:

If you can answer YES to any of these questions the funds being used should be appropriate use of county extension public funds.

1. Does this fit the mission of ISU Extension and Outreach as described in Chapter 176A and the fiscal policy?
2. Is this an Extension research project, education program, supporting grant work or public value within the county, region or state?
3. Will there be an Extension educational purpose, program or support the delivery of these programs?
4. If utilizing program fee funds, are they used to support the programming effort or provide sponsorship related to Extension programs? (as stated on the [county fee statement](#))
5. Will Extension staff, council members and approved volunteers benefit from this expense through professional development?

6. Were the funds being used generated to support Extension programs, including 4-H and Master Gardeners?
7. Funds are not being used to support a capital improvement (to another organization) or to benefit an individual or entity other than Extension?

## **Additional References related to Extension Operations**

### **Fiscal Policy 2.4 – Definition of Agency Accounts**

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