



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

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Auditor of State

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February 12, 2018

Mr. Terry Maloy  
Executive Director  
Iowa Extension Council Association

Dear Mr. Maloy:

You have asked the Office of Auditor of State to review and comment on the Extension District Financial Policies for 4-H Clubs & Learning Communities.

We are not attorneys and this should not be considered legal advice. If legal advice is desired, please consult legal counsel.

We have reviewed the Extension District Financial Policies for 4-H Clubs & Learning Communities. For the following reasons we believe the Extension Council should maintain the accounting records for 4-H Clubs.

Section 176A.2 of the Code of Iowa establishes each of the 100 County Agricultural Extension Districts as a public body corporate with the powers and subject to the restrictions of Chapter 176A of the Code of Iowa.

Subsection 176A.8(6) requires County Agricultural Extension Districts to annually prepare a budget in accordance with Chapter 24 of the Code of Iowa.

Section 24.3 of the Code of Iowa sets forth the requirements of local budgets, which include, among others, estimates of the amount of income thereof for the several funds from sources other than taxation and the amount proposed to be expended in each and every fund and for each and every general purpose during the next fiscal year. In other words, the District budgets are required to include all receipts and disbursements.

Subsections 176A.8(11) and 176A.14(4) of the Code of Iowa require the District Treasurer to receive, deposit and have charge of all of the funds of the Extension Council and pay and disburse the same as required in Chapter 176A of the Code, and as may be from time to time required by the Extension Council.

Section 12C.1 of the Code of Iowa allows the Treasurer of the Extension Council with approval of the Extension Council to invest Extension Council funds not needed for current expenses in the manner authorized for treasurers of political subdivisions.

Consolidating all of the funds of the Extension Council has many benefits and makes sense from an accounting viewpoint for several reasons. Here are just a few of the benefits.

- Allows for uniform, consistent and efficient accountability.
- Individual 4-H Clubs will not need separate bank accounts.
- Will permit consistent record keeping reporting and auditing.
- Will allow for better segregation of duties and overall internal control.

Thank-you for the opportunity to comment on the revised accounting procedures for 4-H Clubs.

A stylized, handwritten signature in black ink, appearing to read 'A. Nelson'.

Andrew E. Nelson, CPA  
Deputy Auditor of State