



# Oklahoma Conservation Commission



## District Directors' Responsibilities:

### A 10-Minute Guide Series

This is one in a continuing series of informational/discussion topics designed to help conservation district directors become more informed and knowledgeable about their responsibilities. It is suggested that board members review these guides before a board meeting, and then have a ten minute discussion on them at a meeting.

## Guide No. 10 - Financial Management

Financial management is one of the more challenging and important responsibilities of district board members. Board members are public officials and need to take their fiduciary responsibility seriously and always have a clear understanding of the district's financial status and records.

### Board Members Must Understand the District's Financial Record System

Board members may not always be familiar with the computer program used to develop the monthly financial statement, but they must develop a good understanding of the report.

While the day-to-day financial record keeping is assigned to district employees, board members are responsible for the management of district/state funds and can not leave that responsibility to employees and can not depend on an auditor to identify problems.

All district funds are public funds and must be reflected in the monthly financial statement. All funds must be expended and accounted for in keeping with the same laws and rules that apply to state funds.

### Monthly Financial Statements Should Include:

- ◆ Previous balance of "All" funds
- ◆ Checking account balance brought forward
- ◆ Deposits to checking account
- ◆ Disbursements from checking account showing check number, date written, to whom, for what, and the amount.
- ◆ Current checking account balance
- ◆ All other accounts balance forward
- ◆ Deposits to other accounts
- ◆ Disbursements from other accounts
- ◆ Balance in all other accounts

- ◆ Current balance in "All" Funds.

Board members should review voided checks, reconciled bank statements, and cancelled checks each month and compare them to the financial statement.

The board treasurer should especially review the monthly financial report and point out any areas of concern or questions to the other board members.

### Rules to Follow with Checks:

- ◆ Use only numbered checks written in sequential order.
- ◆ Check stubs must be completed.
- ◆ Check numbers should be posted along with the amount, who the check was written to and for what.
- ◆ Cancelled checks, if received from bank, should be filed with the bank statement in numerical order.
- ◆ It is recommended that at least two signatures be required on all checks. Anyone with signatory authority on accounts should be adequately bonded.
- ◆ ***Under no circumstance should a blank check be signed. This can cause your bond to be voided.***
- ◆ An employee should not sign their own paycheck.
- ◆ When a check is voided, write void across the face of the check, and attach it to the check stub.

### **Reconciling Bank Statements**

Staff must keep all financial accounts current and reconcile each account with the bank statement each month. The reconciled bank balances, check book balance and monthly financial statement should be in agreement.

At the board meeting the chairman and/or treasurer should initial the reconciled bank statements indicating review of these documents has occurred. A copy of the reconciled bank statement should be made part of the financial statement and included in the monthly board minutes.

### **Petty Cash Fund**

Districts may have a “petty cash” fund, but a record of expenditures and receipts must be maintained and made part of the financial statement. If district funds are used to establish the fund, monies can only be used in accordance with laws governing expenditures of state funds.

If individuals (employees or directors) make contributions to maintain a petty cash fund, those funds can be used as the directors see fit for food, flowers, awards or gifts.

### **Resources on Financial Management**

Chapter 5 of the Conservation District Handbook.