

Local Non-Appropriated Checking and Petty Cash Accounts

Quick Overview

CHECKING ACCOUNTS:

Allowable uses: Funds are to be used solely for program enrichment purposes to include:

- purchase of unbudgeted equipment and supplies,
- travel and conference registrations (prof. development/training),
- salaries for temporary employees and/or other salary support

PLEASE NOTE: ALL Hiring of Personnel MUST be done through CSU or the County.

- County and Area Extension Offices are NOT separate employers and CANNOT hire anyone directly, regardless of funding source of salaries.
- For positions funded on non-appropriated dollars, CSU Fiscal Office will validate funds are available to cover both salary and fringe expenses of employee for employment duration.

Inappropriate uses: Any items of a personal nature and the following:

- coffee and beverages for the office,
- edible treats/snacks
- gifts, flowers,
- office parties, dinners,
- Consultants or services which involve payroll taxes, or are in excess of the IRS 1099 reporting requirement
- DIRECT travel reimbursements to any state employee – including CSU and CSU Extension.
- To process/hold expenses or revenues for an outside agency/association of any kind

SEE BELOW FOR FURTHER
INFORMATION

INDEPENDENT CONTRACTORS/CONSULTANTS:

Payments to independent consultants, speakers and lecturers may be paid directly from non-appropriated funds **ONLY** if the contractor/consultant payment will be **less than \$600** (current IRS Reporting Requirement for contractor payments) **for all payments made to that specific contractor/consultant for the tax year.**

- For payments in excess of the reporting requirement, normal county and/or CSU payment processes must be followed to insure that the 1099 is issued as required by law.
- If expenditure is made through County or CSU accounts, the county/area Extension office should then repay the County or CSU.

INDEPENDENT CONTRACTOR VS. EMPLOYEE:

An individual is considered an employee if that individual receives instruction, guidance or supervision in performing their service. ALL employees must be hired through CSU or the County.

Generally, an individual is an independent contractor/consultant if:

- that individual provides skills or advice not available elsewhere within the organization,
- has a separate workplace,
- will determine the amount of effort and hours of work, to accomplish the required services within a stated time frame.

- Has or will furnish the knowledge, supplies, equipment and/or tools necessary to perform the service, responsible for covering the expenses associated with the service, and entitled to the resulting profit or loss.
- Receives no training, supervision, or instruction from CSU, other than conveying the scope of services desired.

See CSU Fiscal Policy FPI 2-19 for full definition and procedures for establishing independent contractor agreements: http://busfin.colostate.edu/Forms/FRP/Expense_Revenues/FPI_2-19_Independent_Contractor.pdf#zoom=100

TRAVEL REIMBURSEMENTS:

All CSU employees are required to follow the CSU travel reimbursement policy and processes. For travel paid for by non-appropriated funds, the employee MUST submit a travel reimbursement through CSU Extension fiscal office. Extension Fiscal office will invoice the county and non-appropriated funds can be used to reimburse CSU Extension for the travel expense.

OUTSIDE AGENCY REVENUE/EXPENDITURES:

In the conduct of CSU Extension programs, it is desirable and necessary to work with numerous groups and organizations. However, such groups should not be dependent on CSU Extension to be responsible for or handle any of the group funds. Nor should CSU Extension be responsible for accounting for receipts or expenditures thereof.

Examples of funds that should not be handled through the authorized local non-appropriated funds are:

- Sale and/or purchase of 4-H livestock
- Dairy Herd Improvement Associations
- General community associations (e.g. breed associations, seed clubs, etc.)
- Home economic associations and clubs
- 4-H Foundations and Councils

Such groups have their own treasurers. Extension staff should have no authority to withdraw funds from or write checks on any association accounts with the following exceptions: 1.) Regular County Extension Budget, 2.) Weed Districts, and 3.) County Fairs. These organizations may require extension staff to withdraw funds and/or write checks as prescribed by local/area policy.

PETTY CASH ACCOUNTS:

Maximum amount of petty cash authorized: \$50.00

The following rules apply to petty cash funds:

- Cash must be kept in a locked location.
- Only one individual should be responsible for the cash box.
- **No expenditures are allowed from the petty cash fund.**
- No advances, loans or IOU's shall be made from the cash fund.
- **Timely deposit of excess funds.** Cash deposits should be made weekly, **and/or** when the petty cash funds exceeds 50% of the authorized cash fund amount (\$75.00).