

**Soil and Water Conservation District
Completed by:**

| Section 2 | Financial Management | | |
|--|---|--------------------------|--------------------------|
| <i>Element</i> | <i>Discussion question</i> | <i>Yes</i> | <i>No</i> |
| Budgeting | 1. Does the district develop and follow an annual budget? | — | — |
| | 2. Does the annual budget include: | <input type="checkbox"/> | <input type="checkbox"/> |
| | a. Beginning balances for all funds and budget categories? | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. Anticipated revenues? | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Anticipated expenditures? | <input type="checkbox"/> | <input type="checkbox"/> |
| | d. Other liabilities or requirements such as contingency, accrued payroll liability, reserve funds, or other? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 3. Are all monies held by the district, including savings, checking accounts, petty cash, certificates of deposit and other investments, accounted for in the annual budget? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Does the district have a process for regularly reviewing and, if necessary, amending the budget? | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5. Does the district have a strategy for managing cash flow (i.e. covering expenses until grant funds are received)? | <input type="checkbox"/> | <input type="checkbox"/> | |
| <i>Comments/assistance requested</i> | | | |
| Bookkeeping | 1. What manual or electronic bookkeeping system does the district use? | | |
| | 2. How does the district track funds (i.e. by grant, by project, by fund type, or other)? | | |
| | 3. Are bills and invoices reviewed to: | <input type="checkbox"/> | <input type="checkbox"/> |
| | Verify the legitimate business expense? | <input type="checkbox"/> | <input type="checkbox"/> |
| | Assign charges to the appropriate project or expense categories? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 4. Is the district's accounting on a cash or accrual basis? | | |
| 5. Has the board pre-authorized an individual(s) to pay certain types or amounts of expenditures within budget limits? | <input type="checkbox"/> | <input type="checkbox"/> | |
| <i>Comments/assistance requested</i> | | | |
| Internal controls | 1. What internal controls does the district use to ensure financial integrity: | <input type="checkbox"/> | <input type="checkbox"/> |
| | Duties are assigned in a manner so that no individual controls all phases of collecting, recording, and processing cash, checks, and transactions in a way that permits errors or omissions to go undetected? | <input type="checkbox"/> | <input type="checkbox"/> |
| | Bills, bank statements and other account statements are reviewed and verified by the board designee(s)? | <input type="checkbox"/> | <input type="checkbox"/> |
| | All incoming transactions are individually noted in a numbered receipt book? The board receives and approves a monthly treasurer's report that includes all deposits and checks by number, payee, and purpose? | <input type="checkbox"/> | <input type="checkbox"/> |

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| | There is a procedure that outlines when checks require more than one signature? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Checks are always filled out completely before being signed? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Blank or cancelled checks, receipt books, cash and other receivables are secured appropriately? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Other internal controls? (Describe) | <input type="checkbox"/> | <input type="checkbox"/> | |
| | <i>Comments/assistance requested</i> | | | |
| Financial reports to the Board | 1. Do directors receive and approve monthly financial reports? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | 2. Do directors find that the reports provide the necessary information to make accurate financial decisions? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | 3. Does the board reconcile district financial reports with other financial information such as bank statements, check registers, billing statements, payroll reports, grant or project budgets, etc.? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | <i>Comments/assistance requested</i> | | | |
| Asset Management & Bonding | 1. Does the district maintain deposits in more than one financial institution? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | 2. If so, what are the purposes of these other accounts? | | | |
| | 3. Does the district have deposits in excess of \$100,000 at any single financial institution? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | 4. Is the excess insured? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | 5. Does the district maintain a Local Government Investment Pool account? | <input type="checkbox"/> | <input type="checkbox"/> | |
| | 6. What amount of bonding coverage does the district maintain? \$ | | | |
| | 7. Is this level of coverage adequate? | <input type="checkbox"/> | <input type="checkbox"/> | |
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| Year-end reporting | 1. Does the district hold an annual meeting as required by law, including appropriate public notice, presentation of an annual report, and presentation of the audit? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 2. What types of information are included in the district's annual report? | | |
| | <i>Comments/assistance requested</i> | | |
| Audits | 1. Does the district comply with Oregon Municipal Audit Law (e.g. annual audit, review or "in lieu of audit" report)? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 2. Does the board review the information in the audit, review or report, and act on any findings and recommendations? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <i>Comments/assistance requested</i> | | |
| Payroll Liability and Worker's Comp | 1. Does the district make timely quarterly deposits of state and federal payroll withholding? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 2. Does the district have a method to reconcile accuracy of payroll withholding deposits with payroll obligations? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 3. Does the district receive annual proof of compliance from State Unemployment Insurance, Oregon Department of Revenue, and Internal Revenue Service? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 4. What type of employee time tracking system does the district use? | | |
| | 5. Who approves time sheets and overtime? | | |
| | 6. What is the district's policy regarding the payment of overtime or awarding compensatory time to non-exempt employees when overtime is worked? | | |
| | 7. Who is the district's worker's compensation insurance carrier? | | |
| | 8. Are directors and volunteers included in the coverage? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 9. Does the district meet annually with the agent to update coverage and ensure proper classification of employees? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <i>Comments/assistance requested</i> | | |
| Credit cards & revolving accounts | 1. What credit cards and revolving accounts does the district have? (Names only. Do not include account numbers.) | | |
| | 2. Does the district have written policies that govern the establishment and use of these accounts, including authorization and spending limits? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 3. Does the board regularly review account statements and purchasing activity of all revolving accounts to ensure compliance with policy? | <input type="checkbox"/> | <input type="checkbox"/> |
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| Credit Checks | 1. Does the district do credit checks on employees, directors or others who conduct district business? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <i>Comments/assistance requested</i> | | |
| Loans | 1. Does the district have an existing loan or mortgage? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 2. If yes, what is the amount and length of term of the loan? | | |
| | 3. Is the district staying current and meeting its obligation for repayment of the loan? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 4. What is the contingency plan if the district cannot repay the loan as planned? | | |
| | 5. Did the district consult with ODA regarding approval to receive the loan? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 6. Does the board anticipate needing a loan in the future? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 7. Is the district aware of the requirement to hold a public hearing and receive written approval from ODA prior to establishing a loan? | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>Comments/assistance requested</i> | | | |
| Grant reporting | 1. Does the board approve all grant applications, grant contracts, and receipt of grant funds? | <input type="checkbox"/> | <input type="checkbox"/> |
| | 2. Does the board receive regular updates on grants including project status, report deadlines, comparison to budget, final report submission, project completion, payment of outstanding obligations, and receipt of all grant funds? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <i>Comment</i> | | |