

# 10 Minute Supervisor Trainings



August 2021

## Financial Planning and Reporting

As we are beginning a new fiscal year and quickly approaching a new calendar year, it is always a good time to begin the process of evaluating the past year's financial activities and planning for 2022. It would be very easy for a board of supervisors to tell the office staff to "go ahead and do what we did last year," but this is not giving justice to your duties as elected officials. As leaders, we can delegate authority, but we cannot delegate responsibility.

This past year has taught us that as elected officials we must all know and understand the planning process and what is expected of our districts on a monthly, quarterly, and annual basis in terms of deadlines, reporting, and financial responsibilities. Timely reporting is required by law, and conservation districts have legal responsibilities to report to the local fiscal court, Division of Conservation (DOC) and Department of Local Governments (DLG).

Both the Division of Conservation and Department of Local Government release a calendar each year listing all reports with their due dates. The DOC calendar is available as an attachment to last December's 10 Minute Training and also on the DOC website on the district forms page. The DLG calendar is available on the Special Purpose Governmental Entities page under the Downloads section. Use each as a checklist to ensure that all items have been properly addressed. Be sure to use each of these monthly for your board meetings.

It is up to each conservation district's supervisors to ensure that all reports are correct before they are submitted. As the board of supervisors review the reports, the board should consider how effective the programs covered by that report were and how the taxpayer's money was spent. While yearly reports are the obvious choice to review regarding your programs' effectiveness, monthly and quarterly reports give you an opportunity to make changes to your plans more quickly.

Each of the 847 elected supervisors of Kentucky's conservation districts has the duty to carry out the district's mission of protecting the natural resources through education and assistance to local producers. As you're reviewing each report, consider how a project assists this mission and how to best spend the taxpayer's money to fulfill the mission.

This training is specifically about financial reporting. There are other reports that are due throughout the year. Those are also included on the DOC and DLG calendars.

## **MONTHLY**

Each month supervisors should fully review the monthly treasurer's report. Supervisors should ensure that all bank statements have been reconciled, all transactions have been recorded into the district's accounting software, and all expenditures have been approved.

The supervisors should also be sure that the month's finances have been moving the district's annual plan of work forward.

If the district has an equipment loan, supervisors should ensure that equipment loan payments are being paid on time and that the equipment is being used for its intended use.

## **QUARTERLY**

The district should review its budget at least quarterly. Some districts choose to review the budget monthly. As you review the budget, keep in mind that legally no money can be spent by the district unless it has been included in an approved budget. Any changes to the budget need to be updated on the DLG website.

If a board chooses to change the direction they planned for, they can change their budget and their plan of work at any time.

## **ANNUALLY**

Each district plans their budget at the beginning of the calendar year. The budget is due to DOC and their local fiscal court by April 1. Some fiscal courts have an earlier due date. The board should work to make sure that the budget reflects the work that they want to complete the next year.

The DLGs website requirement for the annual budget is that the district is registered, and the budget is uploaded by July 15.

At the end of the fiscal year, the district has the opportunity to review all the year's financial transactions. They are all put together into the district's Annual Financial Report. This must be done between the beginning of the fiscal year and September 1. Reviewing this report should give the district a perfect chance to make sure that they're spending the taxpayer's money appropriately.

Once the Annual Financial Report is complete, the district must provide a summary of the district's finances in the local newspaper and must upload the totals on the DLG's website.

Either annually or every 4 years, the district's finances will be audited. The auditor will examine the district's procedures for handling funds. They are not looking for embezzlement – they are looking for procedures that would allow the mishandling of the district's funds. It is still the district's responsibility to review the district's finances, as well as the auditor's findings, to be sure they are safeguarding the district's funds.

Every time the district reviews a financial report, it is an opportunity for each board member to ensure that the district is spending the taxpayer's money wisely to fulfill the district's mission.