

Recommendations for Extension District Boards

1. The Board should have a well defined clear mission statement to serve as a platform for policies, operational plans and resource allocations that further the interest of Extension in the county.
2. The Board should have an annual orientation program and manual for new and returning Board members. The District Board Manual could be used. An explanation of the budget and accounting structure as well as revenue and investment information should be included. A county attorney and/ or consultant should be on hand to answer any legal question.
3. Throughout the year the Board should request reports from individuals having responsibility for program areas (4-H, FCS, Horticulture, Fine Arts, and ANR) and not just rely on the agent who has been identified as the Fiscal Coordinator for information.
4. All Board meeting minutes should document the exact nature of the financial decisions and business conducted during meetings. Any issue which results from these actions and further actions taken should also be documented.
5. Any session closed to the public should be entered into in accordance with KRS 61.810. Any conclusions or decisions reached during a session closed to the public must be documented in the Board meeting minutes as stated in KRS 61.815, clarified in OAG 81-387.
6. The Board should adopt a code of ethics that includes standards of conduct for its Board members. The policy should include the requirement to sign a form stating that the individuals have received and understand the code of ethics. The code should include statements regarding moral and ethical standards, confidentiality, conflicts of interest, nepotism, gifts, honoraria, and assistance with applicable audits and investigations. Violations of the code of ethics should be reported to the Board or designated committee of the Board.
7. A policy should be developed requiring Board members to disclose any conflicts of interests. A conflict of interest form should be completed by a specified date and returned to the Board. Conflicts of interest may occur if advertising for any goods or services: contracting for labor or buildings, or hiring county support staff. Board members should carefully consider when there might be a conflict of interest and disclose this information and/or excuse themselves from decisions that might be viewed as a conflict of interest.
8. The Board policy should include a transparent competitive selection process for procurement of goods and services. The policy should outline the circumstances under which quotes or competitive bids are required and the process to be followed. The Board should have policies that require a formal contract for purchases over a specified amount and that all contracts over a specified dollar amount require Board approval.
9. A review of the budget to actual expenditures should be performed regularly by the Board or a designated Board Committee to monitor costs in each account. The name and number of budget categories or line items should provide transparency and sufficient detail to allow Board members to accurately identify the types of expenses being attributed to each category. If expenditures occur at an unexpected rate, additional detail should be requested to ensure that incurred expenditures are reasonable and necessary.

10. At least quarterly, the Board should receive and review a listing of payments that includes, at a minimum, the payee, dollar amount, and date of each expenditure. This review would assist in identifying inappropriate, unusual, or excessive expenditures.
11. If the use of credit cards have been approved and is needed, the Board should be assigned to review, at a minimum, credit card statements of Extension staff prior to payment; credit card charges should be supported by detailed receipts and documented business purpose.
12. Monthly vehicle allowances are preferred. However if a Board chooses to purchase vehicles, a policy should be developed to address the authorization process to purchase vehicles and the method used to dispose of vehicles. The use and assignment of vehicles owned by the organization should be addressed within this policy. In addition, the practice of providing a vehicle should be reviewed. The policy should include following the IRS guidelines for personal use of a vehicle.
13. The personal use of business equipment should be addressed within Board policy to determine when appropriate. The policy should require that equipment being used inappropriately or that is missing should be reported directly to the Board.
14. The Board should establish a policy detailing the process to report lost or missing financial information or records. To avoid lost or stolen financial information, electronic images of financial records should be created and retained.