UNL Extension Office Financial Management
FAQ’s

July 23, 2011

Underlying principles to remember:

Communicate, communicate, and communicate!

Make decisions in advance with Extension personnel in your office so everyone is on the same page.

Contact your Greater Nebraska Business Center Representative when you have questions.

Plan ahead and ask questions when unsure of how to proceed. Offices must follow UNL policies and procedures while also accommodating the needs of our clientele and vendors. Working though issues in advance is encouraged rather than correcting a transaction or invoice after the fact.

TOPICS:

4-H Council-Related Questions
4-H Program Services and Support Questions
University Purchasing Card Questions
General Business Operations Questions
University Website Links

4-H COUNCIL-RELATED QUESTIONS

Can Extension personnel, state or county paid, be on the signature card of 4-H Councils?
No.

Can 4-H Councils have their bank statements mailed to the Extension Office?
No.

Our 4-H Council has an event (food stand, fruit sales, etc.) that makes money that they use to help fund programs/awards/scholarships/trips/etc. Will they have to pay income tax on this money (even if it is a one-time annual event)?
Yes. Think of this as personal income – even if it happens once a year, you still pay income tax.

Can 4-H Councils own Certificates of Deposit?
Yes; however, the interest earned will be subject to income tax.

Has there been any change in the tax status of 4-H Councils to make them non-profit?
No, although there are some counties opting to create 4-H Foundations (their own 501c3’s).
Do 4-H Councils or 4-H clubs need to pay taxes on dues they collect?
The answer depends on the organizational structure. Please consult with your local tax expert. 4-H Councils and 4-H Clubs are not tax exempt and their tax liability will need to be determined on gross revenue, not income from just one activity.

**Should 4-H Councils purchase and resell 4-H manuals?**
They can; however, they would pay income tax and sales tax on dollars they receive from that transaction. As more curriculum moves on-line, it may be easier for families to purchase curriculum directly. If the Extension Office assists the 4-H Council by placing an order through UNL Educational Media, the order must be made in the name of the 4-H Council and the bill sent to the 4-H Council address. Publication purchases are taxable to the 4-H Council.

**For 4-H workshops and/or school enrichment activities where county-paid staff does the programming, should those expenses be submitted through the new UNL Cost Object or through the 4-H Council?**
We would suggest that income and expenses for those activities run through the UNL Cost Object of either the educator who supervises this program area or the educator who supervises the county employee. This decision should be made jointly by the educators involved prior to any programming and be consistent.

**4-H PROGRAM SERVICES AND SUPPORT QUESTIONS**

**Should Extension Offices purchase and resell 4-H manuals?**
There is no stipulation that they cannot. As more curriculum moves on-line, it may be easier for families to purchase curriculum directly from the source (UNL Marketplace). Extension offices that purchase and sell publications, which include 4-H manuals, to outside entities and individuals must collect sales tax unless the entity/individual has a Nebraska tax exempt certificate on file.

**4-H clientele go to their county office to purchase items such as armbands and 4-H t-shirts. Which entity should be financially accountable for these items...4-H Council or Ext Office?**
The entity accountable depends upon whether the Extension office is financially responsible for the purchase, resale and sales tax remittance or if the financial responsibility was moved to the 4-H Council.

**How do I pay for expenses related to CWF trips, county camps, judging trips, etc.?**
Planning ahead is very important. We have found most hotels, tourist destinations, transportation companies and restaurants are willing to bill if they have enough advance notice to set up the proper accounts. If they are not willing to work with you, you may want to select another vendor. You may need to have some of the group meals you paid for in the past be individually paid by participants (i.e., when you stop at a fast food restaurant).

If your county is fortunate enough to be a winner of a state event where the winner receives trip dollars from the Nebraska 4-H Foundation, the dollars can be given individually to youth or transferred to an educator’s cost object. Expenses can be paid by the individual or from a cost object. Receipts are necessary for all expenses, including meals. If the dollars go to the 4-H Council, the funds are taxable income.
How do we pay for supplies for a 4-H program?
Here are the options for paying for supplies:
1) Set up an account with a local vendor where you do most of your business. You can then purchase the supplies as needed and the vendor will invoice the University.
2) Personally pay for the supplies and request reimbursement on a non-travel employee expense voucher. For county-paid employees, they can request reimbursement on a visiting personnel voucher. A cost object must be provided on the voucher to identify the funding source. Determine the cost object that will fund the reimbursement in advance of the program. Request personal reimbursements as soon as possible since expense reimbursements must be received in the UNL Accounting Office no later than 60 days after the purchase was made. This 60 day requirement is a state statute; therefore, the University is not allowed to grant exceptions. [Note: The Business Center processes both travel and non-travel reimbursement transactions prior to electronic submission to UNL Accounting. In order to reduce the chance your claim may be denied, submit reimbursement requests to your Business Center contact promptly.]
3) A University Purchasing Card (P-Card) may be used to purchase allowable goods and services. Application approval is at the District Director’s discretion.

Note: UNL is exempt from paying sales tax on goods and services. Invoices paid directly from University funds are not taxable. However, if employees personally pay for purchases for which they will seek reimbursement, they will have to pay sales tax. Employees should request reimbursement for purchased items plus sales tax costs.

Can we pay for food to be used for supplies in this way?
You may either obtain an invoice from the vendor or personally purchase the food items and request reimbursement. Purchasing card use will depend upon whether the card holder has received a “food exemption.” However, in all cases, you will need to submit the original invoice, program agenda and attendee list.

Is a certificate of liability insurance certificate required if a 4-H Club is serving lunch for a University field day or event?
4-H activities are covered by the University with the assumption that the club (youth) is supervised by volunteers (leaders) serving the lunch. For example, the lunch could be provided out in a farmer’s field or on University property.

Could you please explain more about the Certificate of Liability insurance process?
Any vendor hired to perform services on University of Nebraska premises or for a University-sponsored program or event that is held off premises must provide a Certificate of Insurance naming “the Board of Regents of the University of Nebraska as an additional insured.” One example is a food vendor hired to cater an event. More information may be found under the University Website Links section of this document.

How can I give an award to someone who has won a contest?
You can contact your business center representative to request a warrant which will generate a check. Also include in your communication whether the award check should be sent directly to the award recipient or whether the check should be returned to the county office.
**How can I get the dollars paid to my county for doing a county booth at the State Fair?**
Funds will be transferred by the State 4-H Department into the cost object designated by the county. A warrant could be issued to volunteers (non-UNL employees) when applicable. The volunteer may want to charge expenses (mileage, lodging, etc.) to the county.

**How do we pay exhibitors for 4-H hogs that are sent to market after county fair; this money used to come to the county non-tax account and we wrote checks?**
This is a good time to visit with your County Ag Society/Fair Board to determine if they are willing to serve as the fiscal agent. The Extension Office could still provide support staff to help with the amounts and writing the checks. Another option would be to find a packer that would write checks directly to the 4-H’ers (this may or may not be an option).

**How do we pay exhibitors their county fair premium monies?**
Again, this is a good time to visit with your County Ag Society/Fair Board to determine if they are willing to serve as the fiscal agent. The Extension Office could still provide support staff to help with the amounts and writing the checks.

**UNIVERSITY PURCHASING CARD QUESTIONS**
At the District Director’s discretion, University employees responsible for Extension programming may be approved to apply for a University Purchasing Card. Detailed information about the University of Nebraska Purchasing Card Program and policies may be found at [http://accounting.unl.edu/pcard/](http://accounting.unl.edu/pcard/). Employees must participate in Procurement Card Training prior to card issuance. Training schedule and registration is available at [http://accounting.unl.edu/pcard/training.shtml](http://accounting.unl.edu/pcard/training.shtml).

**Can we pay for lunches/snacks/meals with a p-card if there is a registration?**
If the P-Card holder has been granted a “food exemption,” the Card can be used to purchase *program supplies* from a store (not a restaurant) for a workshop which may include food items for demonstration or as part of the program. There is not a requirement of “registration;” however, there is the requirement to provide the original invoice, a list of attendees (you may create an attendee list and have participants sign in), and an agenda for the meeting/workshop.

**GENERAL BUSINESS OPERATIONS QUESTIONS**

**How can we refund program or workshop registration fees?**
You can email your business center representative with the refund request and a warrant will be prepared to generate a check. A social security number is not required for processing refunds to individuals. The refund will be sent directly to the person.
I need a credit card to book and hold motel rooms, how should I handle this?
A personal credit card will need to be used. P-Cards cannot be used since there is the chance that lodging, meal or other travel expenditures may inadvertently be charged by the motel.

Why can’t our office continue to use credit cards (VISA, Wal-Mart, Dollar General, etc.)?
The University Board of Regents’ policy 6.2.1.8 states:

8. Purchases in the Name of the Board of Regents; Authority to Obligate University Funds
All purchases shall be in the name of the Board of Regents of the University of Nebraska for and on behalf of the major administrative unit making the purchase. No commitment of University funds shall be made except by means of an official University purchase order, an official University purchasing card or contract approved by the appropriate administrative officer or his or her designee in accord with Section 6.4 of the Bylaws and the policies of the Board of Regents relating to authority to execute contracts.

UNIVERSITY WEBSITE LINKS

Employee vs. Independent Contractor: How to Tell the Difference
http://bf.unl.edu/policies/accounting/EmpVsIndCont.shtml

Guidelines for Funding Non-Travel Related Meals and Receptions
http://bf.unl.edu/policies/accounting/MealsReceptions.shtml

Procurement Policies and Procedures
http://procurement.unl.edu/policies/

Record Retention
http://bf.unl.edu/policies/bf/RecordsRetention.shtml

Signature Authority
http://bf.unl.edu/policies/bf/SignatureAuthority.pdf

Travel Services Policies
http://travel.unl.edu/policy/

Travel FAQ
http://travel.unl.edu/FAQs

Vendor Certificate of Insurance
Vendors performing work on University of Nebraska premises are required to complete a Certificate of Insurance form, naming the Board of Regents of the University of Nebraska as an additional insured. This certificate must be on file in Procurement Services prior to any commencement of work at a job site. Insurance coverages are required regarding bodily injury, personal injury, liability coverage, property damage, liability coverage, and workman’s compensation coverage.

Vendor Insurance Lookup Form (to check whether a vendor has a current form on record with UNL)
http://scsapps.unl.edu/vendinsurance/vendorinsurance.asp

Tip: To search whether a vendor is listed in the UNL insured vendor database, enter the first three letters of the vendor’s name in the search box. If the vendor cannot be found, request a Certificate of Insurance form be provided by that vendor.