



BEST PRACTICES:

Texas AgriLife Extension Service

FINANCIAL RESOURCE MANAGEMENT

Resource Manual

Revised February 2011

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Administrative Statement

As an agency of the State of Texas supported by public funds, maintaining a reputation of integrity is critical. We must be accountable for resources invested in the agency and ensure that an accountability system is in place. The agency must manage for increased audit exposure from the federal, state and county governments and the Texas A&M University System (TAMUS). Financial responsibility is the responsibility of the entire organization. The guidelines herein are provided for an understanding of expectations and implementation.

Our organization has been fortunate to have large numbers of volunteers who are willing to assist in program development and delivery. Through their efforts, funds have been generated to extend and enhance programming to targeted audiences. It is important that we ensure appropriate fiscal procedures are in place for use of funds generated by external Extension support groups and for cost recovery programs. Best practices are included in this document to support sound business practices in working with both our volunteers and support groups.

Maintaining the public trust of the Texas AgriLife Extension Service is critical to the future of the agency. For that reason, the AgriLife Extension administration appointed a Cash Management Procedures committee in 2003. The group evaluated best practices, gathered input from employee focus groups and an agency-wide survey, developed this document, and conducted training statewide. Periodically this document is reviewed to for compliance with system policies and procedures.

“Best Practices: Texas AgriLife Extension Service Financial Resource Management” provides appropriate guidance to every AgriLife Extension employee. It is up to each of us to ensure that these best practices are used.

Edward G. Smith, Director
Texas AgriLife Extension Service

Texas AgriLife Extension Service

Core Principles for Financial Resource Management

1. To maintain the public trust as a state agency.
2. To establish internal and external accountability practices.
3. To ensure risk assessment and mitigation for the agency.
4. To minimize risk for support groups and their volunteers through education/training.
5. To identify clear roles and responsibilities for Extension and our support groups.
6. To minimize risk of the agency and its employees through education/training.
7. To document and communicate the best management practice policies and procedures.
8. To develop procedures that will ensure that external resources invested in Extension programs are used in the manner intended.
9. To ensure compliance with TAMUS policies. (<http://www.tamus.edu/offices/policy/policies>)

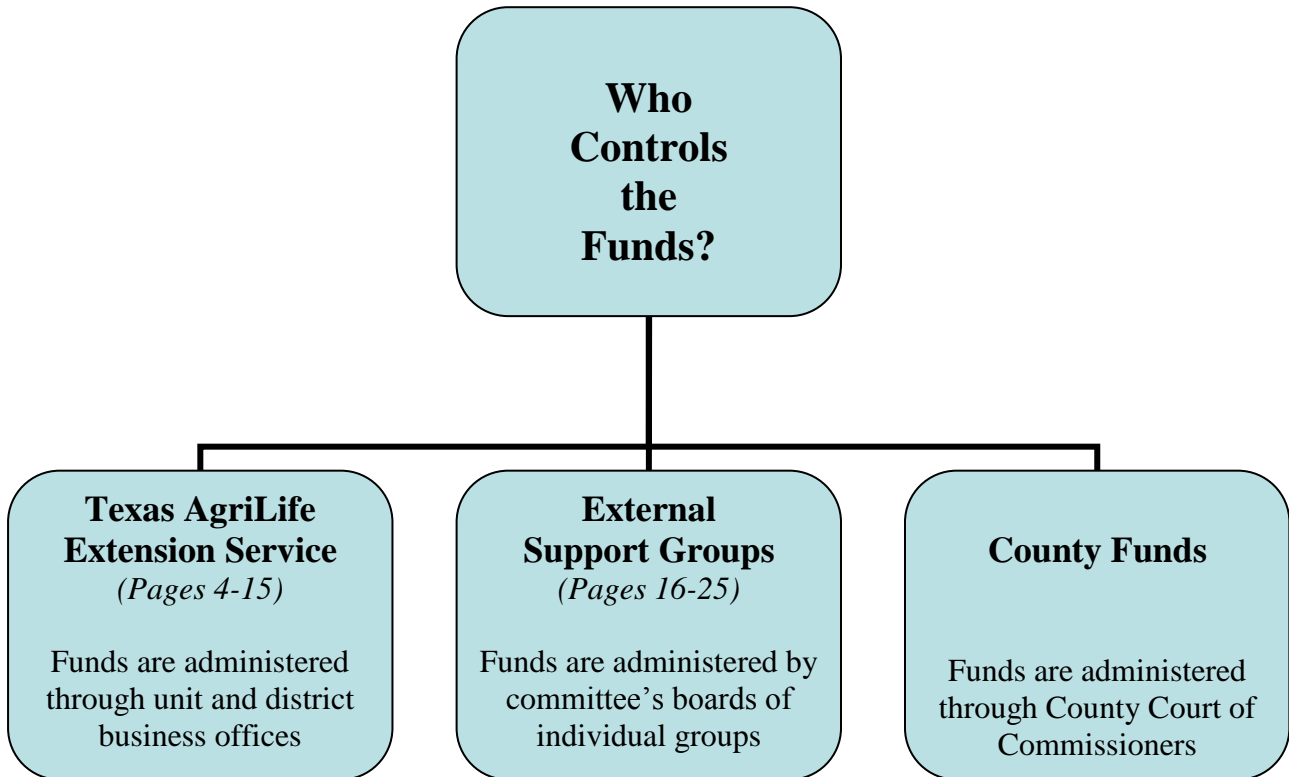
These core principles/practices for cash management are the basis for the best practices identified in this document. It is the organization's responsibility to educate its faculty and staff about expectations and implementation of these practices and to ensure that an accountability system is in place for the agency. This accountability extends to the Extension support groups the agency works with on a regular basis. Both Extension faculty and volunteer/support groups must assume responsibility for compliance with best practices to ensure that Texas AgriLife Extension Service maintains the public's trust in the future.

"Best Practices: The Texas AgriLife Extension Service Financial Resource Management" is a resource manual. Familiarize yourself with the contents to become an educated and prepared Extension employee. Non-compliance with these procedures can lead to administrative actions, including termination of employment.

This resource will support you in seeking information as you prepare for action. The old adage "It is better to ask forgiveness, than to seek permission" no longer applies in our "post-Enron" society.

II. DECISION FOR APPROPRIATE PROCESSING OF FUNDS

The appropriate process for managing financial resources is determined by who controls the funds. If Texas AgriLife Extension Service (fee-based or grants and contracts) is the recipient and administrator of funds, then the procedures related to “internal cash management” on pages 4-15 apply. If an external Extension support group is responsible for the funds, then pages 16-25 apply.



III. Internal Agency Financial Management Procedures

A. Introduction

The Texas AgriLife Extension Service must maintain the public trust in all aspects of financial management activities. Financial management is the responsibility of the entire organization. Everyone in the organization is responsible for ensuring that all funds and resources are handled appropriately.

The following “internal” procedures apply to all employees of Texas AgriLife Extension Service, regardless of source of funds, and cover a wide range of activities. Specific procedures and references to sources of funds are used to assist each employee and supervisor in determining appropriate actions.

The Texas AgriLife Extension Service administration encourages the securing of funds from external sources for program enhancement at state, regional, and county levels. These procedures are designed to assist you in implementing program support and disbursing funds to meet specific identified needs.

All Extension programs must have a clear-cut structure for fiscal responsibility and accountability. Planning, controls, and documentation are major components of managing program finances and assets.

B. Fee-based Programming for Cost Recovery

1. Deciding on a program appropriate for cost recovery

Texas AgriLife Extension Service has a rich heritage of a responsibility to provide quality, relevant educational programs to all Texans. Extension offering more specialized and educational activities and publications for targeted audiences make it necessary to recover cost for some of these activities.

When deciding on whether a program is appropriate for cost recovery, the following criteria should be considered.

- a. Mission drives Extension programming, not the potential generation of fees.
- b. Cost recovered should be legal and ethical and not compromise the integrity of Extension.
- c. Cost recovered should be transparent and understandable to constituents.
- d. Fees should be used to maintain and enhance Extension programming.
- e. All employees should be trained on the financial and legal issues related to the collection of fees.

2. Cost Recovery Program Opportunities (Fees deposited to an Extension account)

These guidelines deal primarily with those workshops and conferences where cost are recovered for the program. Cost such room rental, materials, supplies, food and beverages, and speaker fees should be considered. The event budget planning worksheet ([AG-229](#)) can assist in projecting costs for workshops. (*Attachment 1*)

Delivery of education through electronic means also provides opportunities for cost recovery. The ability to provide asynchronous continuing education opportunities through a restricted access online course system is available for Extension faculty to use. Conducting educational events through web conferencing allows for reaching new audiences whenever they want and wherever they are. Videoconferencing and video streaming also provide a means for reaching audiences who are willing to pay for the convenience of not having to travel to an educational site.

To determine when it is appropriate to charge for programs and materials, faculty members will communicate with their supervisors for determining the cost of the program. Multi-county events and multi-disciplinary programming should be considered where feasible. Examples of programming efforts that may be appropriate for cost recovery include, but are not limited to, the following:

- a. Training (for external audiences) that allows individuals to obtain or renew accreditation, professional certification, registration and/or licenses through mandated programs or other continuing education requirements. This includes web-based and other computer delivery as well as the more traditional methods of program delivery.
- b. Specially targeted education programs for selected audiences.
- c. Educational programs for vocational training, career development or business enhancement of various professionals.
- d. Educational programs conducted for industry groups, commercial firms, institutions and governmental entities where the activity is not directed to the general public.

Other sources of cost recovery efforts include, but are not limited, to the following:

- a. Publications –

Charges may be considered for publications. Appropriate charges include printing and postage costs, and development costs. Fees may generate funds above the cost of the materials to enhance future program support, reprinting costs, and to cover partial cost of technology support.

- b. Sponsors -

It is appropriate to secure sponsors for Extension activities and publications to offset cost incurred for deliverables. Sponsorships do not require the submission of Gift forms through Contracts and Grants. They should be receipted and deposited with Cash Management in accordance with Texas A&M AgriLife Cash Management Procedures. Acknowledgment of donors/sponsors is appropriate. The Texas AgriLife Extension Service best practices identified in this document should be followed.

- c. Sale of Educational Material-

The sale of educational material developed by the Texas AgriLife Extension Service is appropriate. This includes materials in various media such as print, electronic, video, audio, and computer programs that are developed by Extension faculty. Without prior

administrative approval, all "for sale" publications, and other for sale materials will be held at the Texas AgriLife Extension Service Educational Resources Center at the Riverside Campus for distribution. Materials will be kept under strict inventory control and security.

d. Fee for Service and Diagnostic Labs-

Although Extension is an educational institution, occasionally Extension personnel are asked to provide expertise in their field. Charges should be consistent between internal and external clients. Fees should be based on a structured methodology that can be supported; the formulary may be requested by Administration and should be reviewed on a regular basis. This also will include laboratory services of the Soil, Forage and Water Testing Laboratory and the Texas Plant Disease Diagnostic Laboratory.

e. Web-based Courses-

Fees can be assessed for access to online (Web-based) courses, particularly those which grant CEUs or other qualifying credentials. Fees should include the cost of materials distributed in support of the course, costs of course development and support, and a return to the cost of the course delivery hardware and software. The fees may be comparable to, or higher than, fees set for direct delivered courses on the same topics, as online courses generally take more time to develop, and provide a convenience factor for the customer.

f. Sale of Advertising

Because Extension must remain objective and not be identified as endorsing products, services, or firms, Texas AgriLife Extension Service will NOT sell advertising for inclusion in publications, websites, or program activities.

3. Establishing Costs

Costs for fee-based activities and materials will be determined by the agents and or specialists in charge of the effort with input from others involved and with appropriate administrative approval. The worksheet for projecting cost for fee-based programs (*Attachment 1*), can be useful in helping determine the fee to be charged. Consideration should be given to travel costs as outlined in the Guiding Principles for Specialist travel associated with county program support.

When determining charges for publications and educational materials, allowance should be made for storage of materials, postage/handling and costs to maintain inventories. The storage and handling costs are built into the pricing formula by the Texas AgriLife Extension Bookstore. Agricultural Communications staff can help work through the formula.

The agency recovers partial cost for educational programs for the agency. Educational group meetings will charge a minimum \$10 per participant or 10% of the registration fee per participants, whichever greater. For example, if the registration fee is \$100 or less, the minimum cost to be recovered is \$10 per registrant. If the registration fee is more than \$100, the minimum cost to be recovered is 10 percent of the fee. Laboratory services, copy services and publication sales will have a 15 percent fee applied. Additionally, transactions paid by credit cards processed by Cash Management will be subject to an additional fee. This fee, currently 3%, is based on actual charges from our credit card processor and is reviewed annually. Units

processing their own credit cards, including those with e-commerce sites, will be responsible for the actual fees charged on the applicable merchant statement.

Revenue from grants and contracts will be assessed an indirect cost rate of 26% unless other arrangements are made with the Director's office. The Agency's Indirect Cost Policy will be used to return funds to units. (*Attachment 2*)

C. For Sale Publication/Educational Materials Pricing

1. For-sale-only publications
The price is set by the author in consultation with the editor.
2. Standard publications (for sale to the public but not to internal customers)
The price is 3 times the printing cost per copy, rounded up to the nearest quarter. However, the minimum price is \$2.00.

D. Fee-based Internal Financial Management Documentation

1. For agency held workshops - resources are available to units to assist with conferencing details. Resources are described below.

- a. Texas AgriLife Extension Service - Conference Services
For conferences and funds administered through Texas AgriLife Extension Conference Services, contact:
Texas AgriLife Extension Conference Services
2139 TAMU
College Station, TX 77843-2139
Phone: 979-845-2604
Fax: 979-862-4511
E-mail: agrilifevents@ag.tamu.edu
Website: <http://agrilifevents.tamu.edu/>

Conference Services provide an array of administrative and support services which are designed to assist in the development, promotion and delivery of quality conferences, workshops, meetings, seminars or web based courses. The online registration system accepts credit cards (MasterCard, Visa and Discover), purchase orders and payment by check. Registration confirmation and receipt emailed immediately to registrant. Conference materials can be posted online; online registration can be personalized with logos and website links. Electronic access to rosters with registration details, session summaries and fee status is available. Fees are based on the level of service and the registration fee.

Complete details are available at the Conference Services website <http://agrilifevents.tamu.edu/> or by contacting the Conference Services office.

- i. If onsite registration is done in addition to online registration, receipt books must be requested through Conference Services. Only numbered receipts issued by Cash Management through Conference Services are to be used when collecting funds for Texas AgriLife Extension Service fee based programs.

- ii. Review procedures for collecting funds on the Texas A&M AgriLife Cash Management website: <http://agrilifeas.tamu.edu/fiscal/cash-mgmt/index.php>
- iii. Contact the AgriLife Conference Services office or the Texas A&M AgriLife Cash Manager for clarification of any of the procedures.
- iv. Refunds on registrations handled by Conference Services must be requested through Conference Services.

b. The Texas A&M AgriLife Cash Management Office

Funds administered directly by the District Office and Units should be submitted directly to Cash Management via the following procedures.

- i. Contact the Texas A&M AgriLife Cash Management Office (979-845-0323) to request receipt books. Only numbered receipts issued by Cash Management are to be used when collecting funds for Texas AgriLife Extension Service fee based programs.
- ii. The Cash Management office accepts checks, cash and two credit cards (MasterCard and Visa). Both credit card vendors have mandated requirements for safe guarding personal card data. At the time funds are received, a receipt must be written. Funds must be transmitted to the Cash Management Office within three calendar days, at a minimum, or daily when the funds collected exceed \$200. The three day requirement is a TAMUS policy and is required by the state.
- iii. Units collecting funds should transmit funds by completing a Deposit Form ([AG-207](#)). All fund transmittals are the same regardless if they are mailed in periodically prior to an event, or are face-to-face payments at the door.
- iv. If payment is made by credit card, the following information is required:
 - a) Name on credit card
 - b) Credit card number
 - c) Expiration date
 - d) Billing zip code for credit card
 - e) Daytime phone number of payee

Credit card charges and receipts must be submitted on a separate Deposit Form (AG-207) from the cash & checks collected.

Credit Card Authorization – Extension ([AG-223A](#)) is available for capturing this information.

- v. Delivery of receipts should be made as listed in the Texas A&M AgriLife Cash Management Procedures which can be found at

<http://agrififeas.tamu.edu/fiscal/cash-mgmt/index.php>

Although credit card payments must be submitted on separate Deposit Forms, the forms do not have to be sent separately.

- vi. Refunds- If for any reason a refund must be issued; a Deduction from Income (DFI) Form (**AG-210**) must be completed (separate form for each refund requested). Instructions regarding completion of these forms may be found on the [Cash Management website](#).
 - a) To issue refunds via check, a valid payee number must be in place. A completed W-9 form is required to establish a payee number.
 - b) If the original deposit was made via credit card, the refund will be issued via a credit to the original credit card. For credit card refunds, please provide all of the appropriate credit card information: (identified above).
 - c) An approved signer on the account must sign the DFI prior to submission to the Cash Management office.

Review procedures for collecting funds on the Texas A&M AgriLife Cash Management website: <http://agrififeas.tamu.edu/fiscal/cash-mgmt/index.php>. Contact the Texas A&M AgriLife Cash Manager for clarification of any of the procedures.

2. Disbursements

All expenditures, regardless of which registration procedure above is used, should be made in compliance with The Texas AgriLife Extension Service Procedure: 25.07.03.X1.01 Acquisition of Goods and/or Services (<http://agrififeas.tamu.edu/rules-procedures/extension/index.php#25expenditure-of-funds>). This procedure encompasses other Purchasing Procedures, including the use of HUB vendors.

Disbursements must be made through the District Office/Unit/Department. All purchases must have a Financial Accounting Management Information Systems (FAMIS) purchase order in place prior to making the purchase. Guidelines may be found at: <http://agrififeas.tamu.edu/fiscal/disbursements/accts-payable/resources/index.php>.

3. 4-H Connect Web-based Registration

Because of the unique requirements of Extension's 4-H and Youth Development program related to web-based registration, the 4-H CONNECT system has been developed for state registration programs on-line. The website for 4-H Connect is: <https://texas.4honline.com/Login.aspx>.

E. AgriLife – Contracts and Grants Reference Guide

Website: <http://agrififeas.tamu.edu/cg/index.php>

1. General Information

Proposals and agreements for The AgriLife Extension Service, regardless of amount or origin (i.e. district, region, state or federal) must be routed through the AgriLife - Contracts and Grants office and signed by an authorized Texas AgriLife Extension Service official. Only those officials who have been delegated by the Board of Regents have signature authority for the agency.

The AgriLife Contracts and Grants Office provides services to Extension employees for the development, routing, approval and fiscal oversight of proposals, contracts, agreements, and grants. The AgriLife Contracts and Grants Office website <http://agrilifeas.tamu.edu/cg/index.php> provides many tools. The tools include, but are not limited to: forms, staff listing, fringe benefit rates, procedures, and federal regulations. The AgriLife Contracts and Grants Office staff listing is separated between those who work on pre-award services and those for post-award, including specific individuals' area of responsibility. The staff listing and contact information can be found on the website.

2. Definitions

a. Grants (TAMUS Regulation 15.01.01):

An award of financial assistance to accomplish a public purpose. Grants may be in the form of cash or property. The cash or property is designated by the grantor to be used for a specific educational, research, or extension project or activity, thus serving a specific interest or objective of the grantor. Grants awarded by federal agencies are subject to Office of Management and Budget (OMB) Circular A-110 and regulations established by the awarding agencies.

b. Contracts (TAMUS Regulation 15.01.01):

An award by a sponsor to procure goods or services (including research) needed by the sponsor. Most contracts require that the deliverables must be met. Contracts awarded by federal agencies are usually subject to the *Federal Acquisition Regulation*.

c. Gifts (TAMUS Regulation 21.05.01):

A gift or donation is cash or property, other than real property, received for the purpose of a program for the public good, scholarship funds, equipment for research, and for other educational purposes, without expectation of specific benefit to the donor. Examples of specific benefit to a donor would be use of the funds to perform research which is to be reported to or to become the property of the donor, or to test for the donor's purposes equipment or a product provided by the donor. Not included in this definition of a gift, for this purpose, is government support, whether federal, state, local or foreign; an unpaid pledge; or value of services provided by volunteers.

3. Pre-Award Information (Proposal Development/Submission)

- a. The first step in developing a proposal is to contact the pre-award staff to let them know which program and sponsor is being looked at when applying for external funding. Employees should inform their supervisor of intent to apply at the same time. Provide a copy of the program guidelines to the Pre-awards office for them to review the eligibility requirements, limitations, formatting and other program specific requirements.
- b. The second step is to review the published rules at <http://agrilifeas.tamu.edu/library/pdf/rules-procedures/150101x101.pdf> . These rules explain the steps necessary to submit a proposal.
- c. The third step is to work on developing a budget. An early draft of the budget should be sent to the pre-award staff for review. When developing the budget be sure to include the correct fringe rates and facilities and administrative costs (indirect costs). The pre-award

staff is available to assist in developing the budget.

- i) Fringe Rates - cover the required federal FICA, UCI, WCI and the TAMUS medical insurance and retirement rates. The rates are published every fiscal year by Texas A&M University System and can be found at <http://www.tamus.edu/offices/budget-acct/acct/costs/fringebenefits/>
- ii) Facilities and Administrative (F&A) - Indirect cost must be included in the budget as part of the cumulative cost of the project. The F&A rate is negotiated with the federal government and covers expenses that are real costs to the agency but are difficult to attribute directly to the project, e.g. electricity, facility maintenance, office supplies, etc. The current rate for Extension activities is 26% of Modified Total Direct Costs (26% of all costs except equipment that costs \$5,000 or more and that portion of a subcontract greater than \$25,000) (*Attachment 2*).
- iii) Complete the Document Review and Approval Sheet, form AG-105 for routing and approval of the proposal. The form can be found at <http://agrilifeas.tamu.edu/forms/cg/index.php>.

4. Post-Award Information

- a. The Post-Award office produces a monthly report of all the awards received each month and it can be viewed at <http://agrilifeas.tamu.edu/cg/activity-reports/index.php>
- b. The Post-award office will negotiate with the sponsor and finalize the agreement language. The agreement is routed for Unit approval and to administration for approval. If necessary, the agreement is also routed back to the sponsor for their approval. Many sponsors are satisfied with using Extension's standard Memorandum of Agreement (MOA) which can be found at <http://agrilifeas.tamu.edu/cg/index.php>.
- c. The standard MOA is most often used when dealing with private companies and non-profit sponsors. The MOA is necessary anytime the sponsor requires some type of deliverable as a result of providing support of your program. Federal and state agencies may use specific grant or contract agreements to facilitate sponsoring a project.
- d. The post-award office will establish an account when a fully executed agreement is in place. An electronic notification will be sent to the Extension employee and their unit administrator and business manager once an account is established.
- e. **Allowable Expenditures:** Allowable expenditures can vary from agreement to agreement depending on the terms and conditions of that particular agreement. It is very important to fully read the award documents and to know the budget. Federal awards are governed by the cost principles of OMB Circular A-21. Section J. of A-21 further defines allowable costs. A link to A-21 may be found at <http://agrilifeas.tamu.edu/cg/post-award/resources/index.php#web-links>.

Most awards from State of Texas agencies also follow similar costs standards as A-21.

- f. Projects dealing with human subjects, biosafety, or the use of animals, require the protocols to be approved by the respective internal review committees/boards established

by Texas A&M University.

- i) Human subjects <http://researchcompliance.tamu.edu/irb>
- ii) Biosafety <http://researchcompliance.tamu.edu/ibc>
- iii) Animal use <http://researchcompliance.tamu.edu/iacuc>

5. Gift Agreements

- a. Gift agreements may be used when a sponsor does not require any type of deliverable as a result of providing funds or the donation of goods. The procedure for processing gift agreements can be found at <http://agrilifeas.tamu.edu/library/pdf/rules-procedures/210501x101.pdf> There are three types of gift agreement.
- b. Types
 - i) Restricted Cash Gift - when a sponsor requests that the funds be used for a specific purpose.
Use Restricted Cash Gift Agreement, Form AG-101
<http://agrilifeas.tamu.edu/library/pdf/forms/AG-101.pdf>
 - ii) Unrestricted Cash Gift - when a sponsor doesn't require that the funds be used for a specified purpose
Use Unrestricted Cash Gift Agreement, Form AG-102
<http://agrilifeas.tamu.edu/library/pdf/forms/AG-102.pdf>
 - iii) Non-Cash Gift - when a sponsor wants to donate a piece of equipment, animals or other types of non-cash items.
Use Non-Cash Gift Agreement FORM AG-103
<http://agrilifeas.tamu.edu/library/pdf/forms/ag-103.pdf>

6. Contracts with Vendors

Any contractual agreements utilizing AgriLife Extension funds must be signed by an appropriate agency administrator as designated by the TAMUS Board of Regents. These agreements include but are not limited to facility use, use of arenas and show facilities, land and access to property or materials. Contracts and Grants can assist in providing review of any agency contracts.

F. Open Records Act Implications

1. Definition of Public Information

The Texas Public Information Act (Texas Government Code, Chapter 552), specifies that, with certain exceptions, all information collected, assembled, or maintained pursuant to law or ordinance or in connection with the transaction of official business by a governmental body or for a governmental body, or if the governmental body owns or has access to the information, is public information and must be available to the public during normal business hours of the governmental body.

2. TAMUS Regulation

As a component of the Texas A&M University System (TAMUS), the Texas AgriLife Extension Service is obligated to comply with this law and with TAMUS Regulation 61.01.02 *Public Information* (<http://tamus.edu/offices/policy/policies/pdf/61-01-02.pdf>). These guidelines state that with limited exceptions, information created, gathered, or maintained by Texas AgriLife Extension Service is presumed to be available to the public. However, personal data concerning credit card numbers, social security numbers, bank account numbers, etc., is not public information and is redacted before responding to a request for public information. The procedure and timelines for requesting public information and responding to such a request is included in the guidelines. It is important to remember that if an employee possesses a document, they are required to release it.

If a request for public information (often referred to as an “open records request”) is received, the employee should contact their supervisor prior to responding to any request. The supervisor will contact the individual designated as the Texas AgriLife Extension Service public information officer and the Director’s Office for appropriate response.

G. Record Retention

Questions regarding the retention of specific records should be referred to their immediate supervisor or the Agency Record Retention Officer for guidance.

1. Record Retention Time-line

No one set of time limits for retention applies to all records.
The time line varies with each type of document.

2. TAMUS Regulation and Resources

AgriLife Extension Procedure 61.99.01.X1.01, *Retention of State Records*, provides the guidance on the retention and disposition of state records. Texas Government Code § 441.180(11) defines a State Record as “any written, photographic, machine-readable, or other recorded information created or received by or on behalf of the Texas A&M University System that documents activities in the conduct of the state business or use of public resources.”

3. Resources

- a. TAMUS Regulation 61.99.01 *Retention and Disposition of Public Records*
<http://policies.tamus.edu/61-99-01.pdf>
- b. TAMUS Records Retention Schedule
<http://www.tamus.edu/assets/files/records/pdf/2008%20Recertification.pdf>
- c. TAMUS Office of Policy Implementation and Compliance
<http://www.tamus.edu/offices/policy/policies/>

H. Texas AgriLife Extension Service Bookstore Procedures

The Texas AgriLife Extension Service Bookstore (<http://agrilifebookstore.org>) was created as the central point of access for all of Extension’s educational materials. Administrative procedures require that product sales be managed through the Bookstore. This ensures that proper fiscal and cash management

procedures will be followed and that income distribution will be handled uniformly across the agency. Products may not be sold directly from specialists' offices or in any other way without prior administrative approval.

Educational materials created by Extension specialists or acquired from other sources and vetted by appropriate faculty for relevancy and accuracy, will be offered to the public, and to internal customers, via the Texas AgriLife Extension Service Bookstore.

Besides the complimentary copy of their publications, on occasion, authors may take materials out of the Bookstore on consignment to sell at workshops, meetings, fairs, etc. To do so, the author completes an Author Request Form (*Attachment 3*). After the event, the author is responsible for collecting funds, (including sales tax where applicable), returning money received, copies of customer receipts, and any unsold items to the Bookstore. All receipts are managed by the Extension Fiscal Office.

Bookstore inventory is considered an agency asset having monetary value, and is managed accordingly. The value of Bookstore inventory is reported regularly on the agency annual financial review and audited by appropriate audit entities.

I. Royalty Income - Licensing Materials

A. Licensing Process

- a. Materials designed with "royalty" potential should be designated during initial development. Materials having "for sale" potential beyond the Texas AgriLife Extension Service Bookstore or normal channels available to specialist should be designated at the outset of the production process. The authors and/or support units must have a sound rationale for licensing based on some type of valid market assessment.
- b. The heads of the support units will review and sign off on the proposed royalty program in which their staff are involved. This is required in order to verify and/or negotiate the agreement so that clear expectations of creative claims by all parties are stated.
- c. The Texas AgriLife Extension Service follows Section 17 of TAMUS policy on all royalties from patents, copyright, service mark and trademarks of programs.
<http://tamus.edu/offices/policy/policies/pdf/17-01.pdf>
- d. Expenses incurred in the development of a project which generates royalty and any administrative costs are reimbursed before any dollars are distributed to creators, co-creators, or departments.
- e. Special rules relate to use of the 4-H Clover and can be reviewed on the NIFA website.
http://www.csrees.usda.gov/about/offices/legis/4hname_emblem.html

The Royalty Income Distribution Agreement Form (*Attachment 4*) is used for this purpose.

J. Consulting/Outside Employment

All payments to the Texas AgriLife Extension Service employees for services provided (includes livestock judging) should be covered by an approved Request for Consulting and Outside Professional Employment for Faculty and Extension Agents, form AG-406 routed through the appropriate agency

administrator (*Attachment 5*). Blanket authorizations for repetitive services may be submitted not to exceed 12 working days per year. The supervisor should be informed of date(s) to be used under the blanket authorization prior to their use. Payment made directly to a Texas AgriLife Extension Service staff member is taxable under federal tax laws. County vehicles or equipment should not be used without written approval obtained from appropriate county officials. State vehicles should not be used when performing consulting services.

K. Reimbursement of Expenses

Expenses in connection with educational activities provided may be paid directly by an external group and received by a faculty member or county Extension agent. However, the check should be made payable to The Texas AgriLife Extension Service accounts using AgriLife Extension Unrestricted Cash Gift Agreement, form AG-102. A request for reimbursement of out of pocket expenditures incurred by Extension employee may be processed under appropriate TAMUS/the Texas AgriLife Extension Service procedures.

L. Honorarium on Official Time

Where an honorarium is provided for Extension staff in connection with their official duties it is preferable that such payments should be made payable and deposited with the agency in a Texas AgriLife Extension Service Designated Account.

If the honorarium is made payable directly to an employee, a personal check should be written and deposited to the Texas AgriLife Extension Service designated fund to offset honorarium and to document the activity.

The Unrestricted Cash Gift Agreement Form AG-102 (<http://agrilifeas.tamu.edu/library/pdf/forms/AG-102.pdf>) should accompany the funds to document the deposit and intended use of such funds. This rule is consistent with TAMUS Policy 07.03 and 07.04 (<http://www.tamus.edu/offices/policy/policies/>) regarding the acceptance of an honorarium.

IV. Best Practices: The Texas AgriLife Extension Services Financial Resource Management with External Support Groups

A. Executive Summary

The Texas AgriLife Extension Service, as a state agency and part of the Texas A&M University System, receives federal, state, and county funding to support its educational outreach to all 254 counties in Texas and all units and departments of the Texas AgriLife Extension Service. Educational outreach must meet the current needs and concerns of Texas citizens. These needs and concerns are determined by grassroots groups who operate in concert with county Extension agents and specialists. Employees of the Texas AgriLife Extension Service should not hold an officer position with a support group, nor have voting rights. However, Extension employees can serve in an advisory capacity.

Any group, other than the Texas AgriLife Extension Service employees acting in their official capacity, is considered an external support group. These external support groups, as they are providing outreach education, may seek and secure funds. This document outlines desired procedures for management of seeking, securing, and providing day-to-day accountability of these funds.

This guide supports and assists Extension and volunteers with information for financial resource management, including tax exemption status. Examples of external support groups identified in this document are not all-inclusive and are used as models only; however the guidelines do apply to all groups.

B. Support Funds Defined

These best practices address funds and physical items of value which are not considered the property of the Texas AgriLife Extension Service. If funds or property are considered the property of the Texas AgriLife Extension Service, then an early determination should be made of that fact and all the Texas AgriLife Extension Service and TAMUS policies should be applied.

Support Funds generally include fee based programs, sales and registrations, personal and corporate contributions, and grants. These are received and held by external support groups such as 4-H Council, 4-H Volunteer Leaders Association, Master Gardeners Association, etc. Although the Texas AgriLife Extension Service employees are directly involved in supporting these groups, actual legal ownership of funds and property must reside with the association or organization. All external support group funds are the sole property of the group and are under their respective control and management at all times.

C. Extension Program and Compliance Review of Support Fund Accounts

1. Rationale for Review

All employees and volunteers of the Texas AgriLife Extension Service have responsibilities for achieving compliance with the provisions and best practices of financial resource management with external support groups. It is also important to know that Extension support groups are delivering quality, educational programs through proper management of available resources. One of the procedures developed to help employees and volunteers make sure they are complying with all the provisions and best management practices is an in-depth review of support fund accounts on a district specific rotation basis. The procedure will be carried out by reviewing each county and unit during the program and compliance review conference.

The review of support fund accounts will help to ensure:

- a. Internal controls for external support fund accounts.
- b. Proper record keeping and authorization.
- c. Separation of duties in receiving, handling and disbursing funds.
- d. Established by-laws for receiving and disbursing funds and the disposition of support group's assets.
- e. Preparation of an annual budget.
- f. Submission of financial status reports by external support groups.
(Attachment 6-6e)
- g. Established written policy for inventory control and disposition of tangible items.
- h. Development of accounting reports.
- i. Proper tax forms filed.

The Extension financial review of support group fund accounts received will be included with the County Extension Program and Compliance Review conference. The "External Support Group Fund Review", (Attachment 7) may be used to assist with preparation for the review.

2. Review Guidelines

District Extension Administrators and County Extension Directors will conference and develop plans for the county program and review conference. General guidelines for the financial review conference include the following:

- a. The support material/documentation needed at the time of the financial review conference will be included in the confirmation date/time to county faculty.
- b. The financial review process will include the total Extension staff and support staff. District Extension Administrators and County Extension Directors will:
 - i. Discuss intent/benefits/expectations of financial review of support fund accounts.
 - ii. Emphasize that as part of the financial review, will be looking for adherence to the "Best Practices: The Texas AgriLife Extension Service: Financial Resource Management" guidelines as referenced.
- c. Each faculty member who is connected to a support group with external funds should be prepared to present requested documentation for each group account that is prepared by the group member.

3. Annual Review of Support Fund Group (Attachment 8)

- a. Each support group annual report for the current year and the following documentation will be reviewed:

- i. Proper Account Name
 - ii. Employer Tax ID Number
 - iii. Proper Signatures on Account
 - iv. Annual Budget for Account
 - v. Tangible Property Inventory
 - vi. Standing Rules and Investment Policy
- b. Discuss procedures for handling funds for the accounts
 - i. Receipting funds received and depositing funds
 - ii. Requesting payments
 - iii. Bank statements

D. Ownership and Accountability

Understanding and documenting the ownership of funds is important in safeguarding resources, assigning accountability, and maintaining public confidence. The Texas AgriLife Extension Service seeks to establish the clear understanding that external support group funds are not the property of Extension and are not controlled by the agency or its employees. To accomplish this goal, a written record of ownership, should be prepared by the owner and kept on file in the Extension office (e.g. written by-laws or comparable document). Any indication that support group funds are Extension property should be corrected and avoided in the future.

In the course of employment, Extension employees may be involved in the receipt of monies for deposit by support organizations into support group accounts. For example agents may facilitate the collection of registration fees, etc. Clarifying Extension and support group roles, establishing accountability and creating an environment that encourages sound money handling practices by support groups will help safeguard funds, and prevent misunderstandings, while protecting Extension, its employees, and the support group leadership.

The responsibility for control and oversight of external support group funds rests with the group itself and not with Extension. However, Extension does have an interest in ensuring that support groups do not improperly use their relationship or association with the agency when collecting monies or receiving donations. Care should be taken to ensure that the use of donated funds matches the purpose for which the funds were donated and that funds are utilized in a timely manner rather than reside in dormant accounts.

E. Management and Administrative Guidelines

Through this document, administrators have defined guidelines for the activities of employees under their administrative umbrella. It is important to demonstrate that the guidelines have been effectively communicated to the employees who work with external groups which have a risk for loss, misuse, or theft. Appropriate Extension staff should request an annual reporting of external support group funds.

The support group's report should be kept on file as documentation. (*Attachment 8*)

F. Training Requirements of Extension Employees for External Support Groups

Extension employees are expected to provide training for their external support groups on best management practices for their respective funds. Training will be conducted by employees for the treasurer or other person(s) identified or designated by each of the groups. Training materials and resources are available to employees to support the training. Employees will also be provided with resources that can be distributed directly to external support groups to use and reference in managing funds. Training for support groups should take place periodically and as often as necessary to ensure the group is equipped to manage their funds appropriately. Training for existing groups should be done immediately, while training of new groups that form over time should be conducted prior to their receiving funds.

G. 501(c) 3 Status

The Texas AgriLife Extension Service faculty will not recommend nor be a party to the creation of a 501(c) 3 or any other organization for the purpose of circumventing of TAMUS/the Texas AgriLife Extension Service Policy and Procedures.

V. Management Recommendations for External Support Group Program Finances and Assets Responsibilities

A. Responsibilities

1. External Support Groups

- a. Each external support group is responsible for having its treasurer maintain a record of activities, maintain a record of contributions received, and prepare and keep on file a record of financial transactions.
- b. State/Federal law requires that funds raised or given in support of all Extension programs be handled in a manner of public trust
- c. Those responsible for handling funds must do so in an open, responsible and trustworthy manner.
- d. Each year an "Annual Review of Support Group Fund" (*Attachment 8*) should be completed by the Support Group and provided to the agent serving as their contact.
- e. Support groups must clearly identify or designate those individuals who have fiscal responsibility and how accountability is assured.

Documentation of the accountable parties and their accountability should include:

- i) Name(s) of individual(s) authorized to sign on the accounts or authorized to increase or decrease the value of the assets.
- ii) EIN (Employer Identification Number) of accounts.

- iii) Physical location of assets.
- iv) Name(s) of individual(s) responsible for financial review/auditing the assets.
- v) Board members/committee members, club managers and treasurers must carry out their respective responsibilities as defined in the rules and guidelines for handling finances and assets.

2. 4-H Clubs

Specifically for 4-H clubs/groups, the following applies as stated in federal statute (Title 18, U.S.C. 707) (*Attachment 9*). The responsibilities of the Texas AgriLife Extension Service Director and Associate Director for Youth Development and Human Sciences are as follows:

- a. To authorize use of the 4-H name and emblem within the policies of AgriLife Extension Service and the Secretary of the United States Department of Agriculture.
- b. To keep a record of all 4-H organizations to which authority to use the 4-H name and emblem has been granted within the county or multi-county area for which the designated agent is responsible.
- c. To secure from each organization authorized to use the 4-H name and emblem a periodic report (at least annually) of its activities.
- d. To review each 4-H organization's activities to determine that they continue to meet the particular 4-H objectives for which it was established and that the 4-H name and emblem are used in accordance with the statute.
- e. To issue a 4-H Club Charter authorizing a group or volunteer leader to carry out a program of youth activities using the 4-H name and emblem.

B. **Proposals, Grants, Contributions, and Gifts**

Securing external funds for program enhancement is an acceptable way to expand programming. When external groups seek funds they must adhere to sound fiscal management procedures and ensure that accountability measures are in place prior to the submission of a proposal.

An external committee/group may not propose or commit Extension resources or personnel without prior approval by the Extension employee, his/her supervisor, and the AgriLife Contracts and Grants office.

A grant proposal cannot be requested nor received on behalf of the Texas AgriLife Extension Service without the Extension Director's approval. All Texas AgriLife Extension Service grants will be administered through the AgriLife Contracts and Grants office.

- 1. All grants, contributions, and gifts to the Texas AgriLife Extension Service must be transmitted to the Texas AgriLife Extension Service with the agency's rule-based procedures and required documentation forms.
- 2. Any access to external support group grant funds where a Texas AgriLife Extension Service employee is asked to bear the burden of primary performance and/or responsible for the successful completion of the project, should be reviewed to determine if a sub-contract through

Contracts and Grants should be initiated.

3. Where the Texas AgriLife Extension Service staff have access to grant funds received by another party (County, foundation, local 501 (c)3, or support group), access to funds should be outlined in writing with allowable expenditures clearly defined. Where staff provide procurement function or make payments, the responsibility and clear description of duties, including audit procedures, must be in writing and must be reviewed by the staff's immediate supervisor prior to any action. Actual payment should always be processed by the external support group. In no case should a Texas AgriLife Extension Service staff member ever possess a blank check with an affixed signature.

C. **Internal Controls for External Support Groups**

Listed are best practices for external support groups to ensure sound financial management and fiduciary responsibility and limit their respective liability.

1. External support group treasurers should be provided guidance and training on sound fiduciary responsibility and practices. Annual compliance should be monitored by a Texas AgriLife Extension Service employee who works with the program support group.
2. Each county Extension program area should have a committee or task force to direct its financial resource management. Each committee or task force would determine county program needs, develop a budget, assist in securing adequate finances and resources, and hold those responsible accountable for the intended use. (*See sample budget, budget sheet and budget form - Attachments 6-6e*)
3. The name "Texas AgriLife Extension Service" or "Extension" should not be listed as owner of the fund account. The owner should be the Program Council Fund, " _____ " Committee Fund, " _____ " 4-H Fund, or "4-H Fund." Do not use the term "county" in the name or it could be confused with other county government accounts.
4. It is recommended each program area account be kept separate and funds not co-mingled. It is important to keep track of different program funds using separate account or support accounts.
5. No Texas AgriLife Extension Service employee will have custody, signature authority, or online access, of an external support group bank account or certificate of deposit.
6. External support groups should ensure restricted access to bank accounts by signature authority and online access.
7. External support group bank statements should not be addressed to any Texas AgriLife Extension Service staff member. The following options are available for support groups to receive bank statements:
 - a. The external support group can secure a post office box for receipt of bank statements and other correspondence. The support group should provide approval and assume responsibility for the post office box.
 - b. The bank statement can be addressed to the external support group and mailed to the county Extension office's address or to a specialist's address. The statement envelope

should not be opened by Extension personnel or support staff unless the group or club has dissolved. The external support group's treasurer should be notified that the statement is available.

8. AgriLife Extension employees may facilitate the registration and collection of fees for activities and competitions, but should not receipt, control, or make deposit of external support group funds. Volunteers or county support staff where necessary, may conduct the process.
9. In county programs where it is a necessity for county Extension office support staff (county employees) to receipt funds, an option is to have those individuals handling funds to be bonded with the cost borne by the external support group or county government. (*Attachment 10*)
10. Record Keeping/Authorization by Support Group Treasurer:
 - a. Detailed records should be kept on money collected including the type of funds, date collected, from whom, amount collected, and purpose. Records also should be kept for funds spent, including date spent, who was paid, amount paid and purpose of payments.
 - b. The use of computer software package with adequate built-in controls is recommended any time a bank account is involved. Accounting software similar to "QuickenTM" is suggested.
 - c. Record multiple copied pre-numbered cash receipts immediately upon receipt. Depositing funds on a daily basis is preferred. It is suggested that all funds be deposited within three working days, or when funds exceed \$200.
 - d. Prepare a list of all remittances received and make comparisons of this list with subsequent bank deposits.
 - e. Where county support staff collect and receipt funds, there should always be a signed transmittal in duplicate for the collected funds from the external support group representative upon transfer of said funds. (*Attachment 11*)
 - f. Adequate physical facilities should be provided for safeguarding cash in the possession of individuals authorized to handle cash (e.g. safe, locked cabinet, etc.).
 - g. Make all payments by serially numbered checks. All receipts, checks, orders, etc. should have a pre-numbered sequence for accounting purposes. Maintain duplicate copies of receipts given to individuals who receive transmittal of funds.
 - h. Checks should not be made payable to "cash".
 - i. All supporting payment documentation should be stamped or adequately marked to prevent their reuse.
 - j. Check request should be used to authorize payment. (*Attachment 12*)
 - k. Issue checks to vendors only for payment of approved original invoices which have been re-added and verified. Verify with receiving documentation or other evidence that the goods or services are complete.

- l. Reimbursement claims should be supported by cash register tapes or paid invoices. In incidences where supporting document is not available, the Affidavit of Expenditure form (*Attachment 13*) should be used.
- m. If a vendor requires prepayment, an initialed statement can be used as support until the item is purchased. The subsequent invoice can be attached later.
- n. Bank statements should be reconciled monthly and any adjustments recorded in the records or reported to the bank immediately by the support group treasurer. Texas AgriLife Extension Service employees cannot perform these reconciliations. Employees can facilitate the process by allowing the use of the county computer, but no files or fiscal records should be maintained on the hard-drive of the office computer.
- o. Inventory of equipment or other property should be listed and the list assigned to a custodian identified by the group. Title to any equipment purchased should be determined and should be indicated on the inventory from date of purchase. The custodian should make an accurate accounting initially and report this to the group's officers. Any changes in inventory should be updated monthly. Periodic physical counts should be made by another group member to guard against shrinkage by loss or theft. If title to inventoried property (over \$5,000) is to be donated to the Texas AgriLife Extension, a Non Cash Gift Agreement, form AG-103 should be completed and appropriate inventory procedures should be followed.
- p. Support group financial computer records should be kept secure with a backup system in place and handled the same as hard copies.
- q. All checks returned by the bank for insufficient funds should be dealt with immediately by the designee of the group, and a follow-up record maintained. Where possible, the bank charges should be paid by the offender.

11. Separation of Duties

- a. The person who collects funds and the person who writes checks should not be the same. For example, a county support staff member can collect entry fees and then give the money to the treasurer of the organization for deposit. Preparing a list of all remittances received in the mail and transmittals, and then comparing this list with subsequent bank deposits should be a routine function of officers and/or the financial review committee.
- b. The person who writes the checks should not be the one who reconciles the bank statement. Bank statements should be delivered unopened directly to the reconciler.

12. Notify the bank immediately with a signed letter from officers when signature authority and online accessibility changes.

D. Documentation For External Support Group

- 1. All external support groups must have a set of by-laws that include provisions for receiving and disbursing funds and the disposition of external support group assets if the group disbands. (*Attachment 14*)

2. Each external support group should prepare an annual budget and submit it to the appropriate committee or task force.
(Attachment 6-6e)
3. External support groups should conduct a financial review of all their funds and submit a financial review report to the county Extension office or Associate Department Head annually.
(Attachment 8)
4. Officers or the Financial Review Committee reviews clubs, organizations and task force reports, arranges for the financial review of their external support accounts and assets, and provides an accounting report to the entire committee.
5. Written policy is suggested for marking inventory control and the disposition of all tangible items (established by dollar value) after the useful life of such items expires.
6. External support groups review and approve an annual report accounting for the finances and resources used to support the Extension program. County Extension agents should place a copy of this report on file in the county Extension office and submit a copy to the District Extension Office. Specialists should place a copy in department files and submit a copy to the Associate Department Head (Attachment 8). External support groups should retain copies of the review for no less than three years.
7. Associate Department Heads, District Extension Administrators and County Extension Directors review reports and inventory annually at review conferences.
8. All relevant documentation will be reviewed by District Extension Administrators/County Extension Directors during scheduled program and compliance review conferences

VI. Texas AgriLife Extension Service Professional Associations

A. Fiscal Separation

Extension professional associations serve an important role in offering educational opportunities to help educators maintain and grow in subject matter expertise and leadership development. Although composed of Extension employees, it is important to ensure that the financial activities of the associations are separate from Extension educational events/activities. Both professional association members and the public should clearly understand the purpose of funds when they are collected.

B. Fund-Raising

Fund-raising events are often sponsored by the associations (silent auction, meal service, etc.). It is important that checks for these activities be made out to the appropriate association and not to Extension. Such funds should be used for professional development of association members.

C. Guidelines for Handling Association Funds

A treasurer of an Extension professional association may solicit and receive dues from members and keep the information on the Extension computer. (Note: maintaining association information on an agency

computer makes records accessible to the general public through the open records act.)

Charging additional funds at an Extension program in order to pay for association dues is NOT allowed.

As per TAMUS policy, payment of personal professional dues from association revenue could be perceived as a conflict of interest and a personal benefit and should not be done in the name of Extension or on Extension time.

No Extension fee-based educational program funds may be collected, deposited, or expended from any professional association account. Professional association accounts should not be used to collect Extension fee-based program funds. Fee-based program checks should be made out to the appropriate Extension account or external committee that will be sponsoring the event and accepting the funds. If a local support committee chooses to fund an Extension professional association activity, the check should be made out to the association for professional development

When acting on behalf of a professional organization, it is not appropriate to use Extension titles. The title in which the individual is “acting on behalf” should be used when signing documents for that organization.

VII. Taxes

A. Federal Taxes

1. Federal Income Taxes Related to Extension Support Groups (other than 4-H)

- a. Non 4-H Extension groups are NOT federal income tax exempt
- b. Incorporation or 501(c)3 status does not exempt support groups from following suggested guidelines.
- c. Each group/club should have its own Employee Identification Number **NEVER** use anyone's personal social security number for the account tax identification number. Interest paid on those accounts will be reported to the IRS under that individual's social security number. The SS-4 form will cause the IRS to assign a number to the club or organization that looks like XX-XXXXXXX, whereas an individual social security number looks like XXX-XX-XXXX.

External support groups are **NEVER** allowed to use the Texas AgriLife Extension Service tax identification number.

2. Federal Income Taxes Related to the 4-H and Youth Development Program

- a. 4-H Clubs/Groups – An IRS tax identification number is required to do business with banking and savings institutions. It is a ten-digit number and IRS will assign this number to a 4-H Club or a County 4-H Fund. An SS-4 form is used to request this from the IRS. (*Attachment 15*)

If a club or an account does not have this number, apply directly with the IRS. If you do not know whether a club has an EIN number, an individual with authorized signature authority on record with the bank will need to verify the account with the IRS to ensure

compliance and that the correct EIN is being used. All financial institutions require this number.

A sample SS-4 form with key information examples is included in the attachments on this document (*Attachment 16*)

- b. The Texas 4-H rules and guidelines and additional information related to 4-H and Youth Development is located at http://texas4-h.tamu.edu/agents/index_agents.php
 - c. The Internal Revenue Service has assigned a federal income tax group exemption to 4-H organizations and affiliated groups to use when filing tax returns, which is 2704. This is not an Employer Identification Number or a Sales Tax Exemption number.
3. All 4-H Clubs or groups using the federal Group Exemption number must file a Form 990. Gross income should be considered in its broadest term and includes all receipts from gifts, donations, sale of goods, fees, dues and so forth, without reduction for the cost of goods or asset sold or for expenses. Schedule A or T may be required based on where funds originate. This is especially true for sponsorships, grants, and donations.

Even though the 4-H and Youth Development Program is IRS tax exempt, official reporting with the IRS is required. All Extension groups should file by the 15th day of the 5th month after the end of their fiscal year. For Texas 4-H, this is May 15th as the tax year follows the calendar year.

Beginning in 2008, with the enactment of the Pension Protection Act (PPA) of 2006 ALL federal tax exempt organizations that raise money or receive donations will be required to file an Income Tax Form, regardless of the amount of money they raise. Groups raising less than \$25,000 will file an electronic Form 990-N, also known as the e-Postcard. If a group generates over \$25,000, they will still have to file a Form 990. The filing is required annually. The entire electronic filing takes about five minutes.

The National 4-H Headquarters now requires the State 4-H Office to annually certify that all clubs raising or receiving money on behalf of 4-H are chartered to operate and their contact information is correct.

WHAT DOES THIS MEAN FOR COUNTIES?

Included as part of the chartering process, a requirement will be added that includes a review of the club's filing status and proof that the filing occurred. Although clubs must be officially chartered every three years we will be requiring certification of any 4-H group, as it relates to federal tax exempt status, annually.

The filing components required for a club and affiliate groups include:

- ♦ Legal name of the club, group, or organization
- ♦ Any other names used;
- ♦ Mailing address
- ♦ Website address if applicable

- ♦ Employer Identification Number
- ♦ Annual tax period (this will be the tax period following National 4-H Headquarters designation)
- ♦ Verification of the annual gross receipts (this would be done annually through a budget/financial review committee)
- ♦ Indication if the club, group, or organization has terminated

Every club that is identified to National 4-H Headquarters as certified and that has filed their 990-N (electronic postcard) or Form 990 will receive a certification letter confirming inclusion under the National 4-H Group Exemption and status as a tax exempt entity. The club will need to keep the letter on file or for use when a potential funder/donor requires certification of tax exempt status.

The Pension Protection Act requires the IRS to revoke the tax-exempt status of any organization that does not complete an annual filing within three years. Texas 4-H expectation is that any group who is chartered to operate in the name of 4-H will file. The appropriate return based on IRS requirements along with National 4-H and Texas 4-H guidelines.

B. State Sales Tax

1. Purchasing taxable items by External groups (4-H and non-4-H)

- a. Texas State Sales Tax Exemption is available to state agencies (e.g. the Texas AgriLife Extension Service) and clubs and/or groups who have applied for and been granted tax exemption status by the Texas Comptroller of Public Accounts. Unless local 4-H Clubs, external support groups, or counties have applied with the Comptroller individually, no group, including a 4-H Club, is exempt from paying sales tax when purchasing taxable items. Affiliated support groups, even though they directly support Texas AgriLife Extension Service programs, are not automatically tax exempt under Texas tax law. (<http://www.window.state.tx.us/> - if applicable under the state law.) (*Attachment 17 & 18*)
- b. Whether or not a club/group wants to apply for sales tax exemption status requires a review of each club's/group's financial situation. Information is available from the State Comptroller's website about applying for tax exemption status. If county 4-H or Extension programs and/or local clubs/groups receive sales tax exemption, then the attached Sales Tax Exemption Form (#01-339) will be available for their use when purchasing taxable items. (*Attachment 19*)

2. Collecting, reporting, and paying collected sales tax on items sold by External groups (4-H and non-4-H)

- a. For sales tax reporting, the amount of fund raising conducted by the club/group determines the taxability of items for sale. Clubs/groups that have events to sell taxable items are only exempt from paying sales tax on two days per year.

For example, the Volunteer Leaders' Association of Texas (VLAT) sells 4-H products at Texas 4-H Roundup (3 days), the Texas 4-H Horse Show (7 days), and two or three one-

day events in any one year. The VLAT treasurer keeps a record of the sales amount per day. VLAT chooses to be exempt one day at Texas 4-H Roundup and one day at the Texas 4-H Horse Show (the biggest days of sales). VLAT pays Texas sales tax on all sales on any other day.

The county Extension office should work with clubs or groups to determine whether or not a county and/or club have sales activities. For example, car washes could be for a \$X donation; drawings could be for a \$X donations. Donor dollars, scholarships, sponsorships are not sales; but selling chocolate, pecans, sausage, poinsettias or food at a concession stand is selling and requires sales tax including collecting, reporting and payment to the State Comptroller's Office.

- b. If buying or selling 4-H equipment or supplies, there is no sales tax exemption for any group or event involving purchasing taxable items or selling/re-sale of taxable items.
3. What is taxable? Texas law refers to tangible personal property and taxable services as taxable items. All items should be considered taxable unless a specific exemption applies. There are two general types of exemptions:
 - a. Exempt organizations -
This is addressed in the previous section. Unless the organization has applied for this exemption and been approved by the state Comptroller, the organization is not exempt.
 - b. Exempt items or groups of items -
State law determines what these items are and the state Comptroller provides information about these items. For example, livestock and feed for livestock are non-taxable items. To learn more about what items may be exempt, contact the state Comptroller's office (<http://www.cpa.state.tx.us>).

C. Texas Hotel Tax Exemption

The Texas Hotel Tax Exemption Form (12-302) may only be used by state employees on state business who are receiving reimbursement from agency funds. (*Attachment 20*)

1. The form may not be used by any external support group as a representative of the Texas AgriLife Extension Service, including 4-H member rooms and/or 4-H parents and/or 4-H volunteers.
2. The form is not for use by County Extension agents who are receiving travel reimbursement from county funds. Agents should work with their County Coordinator when using County funds.

VIII. TEXAS AGRILIFE EXTENSION SERVICE EMPLOYEE REMINDERS

- A. **Determine appropriate process for managing financial resources. Whoever controls the funds is responsible** for managing funds.
- B. The AgriLife Contracts and Grants office helps develop, route, approve and provides fiscal oversight of proposals, contracts, agreements, and grants.
- C. Only the Director or his designee has signature authority for the agency.
- D. All proposals and agreements for the Texas AgriLife Extension Service must be routed through the AgriLife Contracts and Grants office.
- E. If contacted with an open records request; contact your supervisor prior to responding.
- F. It is appropriate to charge user fees for specialized and in-depth educational activities and publication.
- G. Educational materials created by Extension faculty or acquired from other sources will be offered to the public, and to internal customers, via the Texas AgriLife Extension Service Bookstore.
- H. Texas AgriLife Extension Service follows TAMUS policy on all royalties.
- I. Special use rules apply to the 4-H name and emblem.
- J. An honorarium is a “payment for service” whereas a check to defray actual expenses is a reimbursement.
- K. Supervisors will conduct financial reviews to ensure financial management best practices are in place.

It is important that Texas AgriLife Extension Service maintain the public trust as we deal with financial resource management issues. Refer to “Best Practices: Financial Resource Management” resource guide and TAMUS policies for detailed information on items listed.

IX. QUICK REFERENCE ON FINANCIAL MANAGEMENT PROCEDURES WHEN WORKING WITH SUPPORT GROUPS

Texas AgriLife Extension Service must maintain the public trust in all aspects of financial management activities. Financial management is the responsibility of the entire organization and we have an expectation in relationship to our support groups to ensure that all funds and resources are handled appropriately. Planning, controls, and documentation are major aspects of management.

REMEMBER WHEN WORKING WITH EXTENSION SUPPORT GROUPS:

- A. Texas AgriLife Extension Service will provide training and guidance on sound fiduciary responsibilities and practices.
- B. Each support group should have a committee or task force to direct financial resource management.
- C. The name "Extension" should never be listed as owner of a fund account.
- D. Funds from different program efforts should not be co-mingled.
- E. Texas AgriLife Extension Service employees will not have custody, signature authority or online access of support group funds.
- F. No signed checks should be kept in the Extension office.
- G. Bank statements should not be titled to any Texas AgriLife Extension Service office or staff member.
- H. Texas AgriLife Extension Service employees may facilitate the registration and collection of fees for activities and competitions but should not receipt, control or make deposit of external group funds. However, volunteers or county support staff where necessary may conduct the process.
- I. It is suggested county employees be bonded with cost born by the external support group or county government.
- J. Separation of duties is important to ensure that the person who collects funds and the person who writes checks are not the same. The person who writes the checks should not be the one who reconciles the bank statement.
- K. The officers should notify the bank immediately when signature authority and online accessibility changes.
- L. Record Keeping/Authorization by Support Group Treasurer:
 - 1. Detailed records should be kept on money collected and spent.
 - 2. A computer software package is recommended for accounting purposes.
 - 3. Record multiple copied pre-numbered cash receipts immediately upon receipt.

4. Compare list of all remittances received with subsequent bank deposits.
5. When county support staff collect and receipt funds, a signed transmittal form should be used.
6. Physical facilities should be provided for safeguarding cash in the possession of those authorized to handle cash.
7. All payments should be made by serially numbered checks.
8. No checks should be made payable to "cash".
9. Supporting documentation should be marked to prevent their reuse.
10. Check request form should be used to authorize payment.
11. Payment to vendors should be only for approved original invoices.
12. Bank statements should be reconciled monthly.
13. Inventory of equipment or other property should be listed with owner identified.
14. Computer records should be kept secure with a backup system in place.
15. Checks returned for insufficient funds should be dealt with immediately.

Attachments

CLEAR ALL FIELDS

AG-229 (01/11)

Texas A&M AgriLife
Administrative Services – Cash Management



Event Budget Planning Worksheet

Event or Program Name: _____

Agent or Specialist Managing Event: _____

Date of Event: _____

Estimated # of Participants:

Event Costs:	Estimated Event Costs	Estimated Minimum Cost per Participant
Advertising/Marketing Costs	_____	_____
Conference Service Fees	_____	_____
Credit Card Service Fees (3% of estimated credit card transactions)	_____	_____
Educational Materials	_____	_____
Equipment Rental Costs (Projectors, etc.)	_____	_____
Food and Beverage Costs (including Service Charges)	_____	_____
Internet Connection Fees	_____	_____
Long Distance Telephone Costs	_____	_____
Name Tag Costs	_____	_____
Postage Costs	_____	_____
Printing Costs (Brochures, etc.)	_____	_____
Facility Rental Costs	_____	_____
Speaker Fees	_____	_____
Supplies	_____	_____
Other: _____	_____	_____
Other: _____	_____	_____
Other: _____	_____	_____
Minimum Costs Participant Fee Must Cover	\$0.00	\$0.00

Estimated Cost per Participant	\$0.00
Cost Recovery (\$10.00 if costs < \$100 per Participant)	\$10.00
Cost Recovery (10% if costs > \$100 per Participant)	\$0.00
Minimum Suggested Participant Fee	\$10.00

**Texas AgriLife Extension Service
Indirect Cost Distribution Guideline – Effective 9/1/09**

The following guidelines for indirect cost distribution, applies to contract and grant payments received after September 1, 2009.

The current negotiated indirect cost rate for Texas AgriLife Extension Service is 26%. This rate is defined as part of the TAMUS Facilities and Administrative (F&A) Rate Agreement which covers the time period of September 1, 2007 through August 31, 2011. Based on this agreement all contracts and grants are by default at the full 26% indirect cost rate. Any request for waiver of indirect costs (AG-111) must be submitted and approved by the Director or agency designee on a case by case basis.

Extension indirect costs will be distributed based on the following:

- Contracts and grants negotiated at the 26% indirect cost rate, the agency retains 60% and returns 40% of the indirect cost to the unit.
- In cases where a federal or state grantor cap the amount of indirect cost that may be charged on a particular award, the agency will not penalize the unit for the reduced allowable rate. The agency will split indirect cost, 60% agency and 40%.
- In cases where the unit requests a reduction in indirect cost to a rate less than 26% for reasons other than grantor restrictions, the unit will not receive any indirect cost until the agency has recorded what would have been received had the full 26% rate been charged.
- Contracts and Grants that have waived rates of less than 26% will be reviewed at the close of grant for compliance with the indirect cost policy. For accounts where a waiver of indirect was given at the time of the award, any residual funds will first be used to make administration whole for any indirect cost waived. Any remaining residual funds will be returned to the unit.

Indirect costs generated by contracts and grants are returned to the unit's "program development fund" account. Unit heads may establish splits of indirect cost returned between unit and faculty/specialists at their discretion. All indirect cost funds returned to the unit should be redirected to Extension programs to further enhance Extension educational programming.

Author Request for *For-Sale* Materials from the AgriLife Bookstore

Please fax completed form to the AgriLife Bookstore at 979-458-0172.

Date of Request: _____	Ship To: _____
From: _____	Address _____
Phone: _____	Address _____
Email: _____	Address _____
	City, St, Zip _____

Publication Number: _____	Publication Number: _____
Publication Title: _____	Publication Title: _____
Number of copies: _____	Number of copies: _____
Author Name: _____	Author Name: _____

These publications are intended to be:

Given as complimentary copies

Sold - Products must be sold for the price currently listed in the AgriLife Bookstore database.

Receipt books must be provided by the AgriLife Bookstore. Customers may pay by cash, check, or credit card (MasterCard or Visa only). All receipts require customer name, address and phone number. When making a credit card sale, collect the type of card, the card number, expiration date, name shown on the card, phone number and cardholder's address. Credit card payments are processed only by the AgriLife Bookstore. **All money and receipts must be turned in to the AgriLife Bookstore within 3 days to comply with Fiscal Office policy.**

For shipped orders, please complete D-1222 Mailing Request Form and include with this request.

Authors: Please complete this section when returning Money, Receipts, and Unsold Materials.

_____ Number of copies sold

_____ Number of copies returned to inventory

_____ Total Cash Sales

_____ Total Check Sales

_____ Total Credit Card Sales

_____ Total Amount Submitted to the AgriLife Bookstore

For Use by AgriLife Bookstore

Money and sales receipts received by: _____ Date: _____

Adjustments to inventory made by: _____ Date: _____



Royalty Income Distribution Agreement Form for Licensing Materials

This form should be used in the developmental phase of the project on items that are appropriate for patent or licensing agreement when there is a potential for royalty. See Texas AgriLife Extension Service distribution of income policy at <http://sago.tamu.edu/policy/17-02-01.htm>. (specifically section 6)

Date: _____

Project Name: _____

Creator(s): _____

Program Description: _____

Marketing Plan: _____

Faculty/Staff Involved In

Development:

% Royalty or Amt. Of Reimbursement for Services

Royalty (%)*

Reimbursement (% or \$ of services provided)

*% of applicable royalty distribution.

Development Cost:

Cost of goods or services provided by Texas AgriLife Extension Service department or unit to develop patentable or licensed materials or items.

Actual/Estimated

[Purchased Items/Time]

Itemized

Amount

Account Paid From

G G _____
G G _____
G G _____
G G _____

Reviewed and agreed to by:

Supervisor/Budget Center Administrator _____ Date _____

Creator/Co-Creator _____ Date _____
Creator/Co-Creator _____ Date _____
Creator/Co-Creator _____ Date _____

Submit to the Executive Associate Director's office for final approval and transmittal to TLO.

For Administrative Use Only

Submitted to Technology Licensing Office: _____ (Date)
Copyright/Patent/Trademark secured: _____ (Date)
Agreement to sale: _____ (Date)
(Name)
Licensing Agreement: _____ (Date)

Executive Associate Director or Designee _____ Date _____

By signing this request, I am certifying that:

- My consulting/outside employment will not be undertaken on that portion of time covered by federal grants or contracts;
- This request applies only to that portion of my time for which I am employed by The Texas A&M University System;
- I agree to furnish reports and additional details of employment as required;
- I believe that my value as a faculty member and my own professional status will be enhanced and improved by the proposed outside professional activity;
- There will be no conflict of interest between this outside employment and my responsibilities as an employee of The Texas A&M University System;
- If this activity may or will lead to my being requested or subpoenaed as an expert witness, I have read System Policy 31.05, *Outside Employment and Expert Witness*, System Regulation 31.05.03, *Witnesses in Judicial Actions or Legislative Investigations*, and my agency's or institution's rule on serving as an expert witness (if applicable);
- To my knowledge, the proposed employer operates a legitimate enterprise in which my services would be appropriate;
- I have read:
 - a. System Policy 31.05, *Outside Employment and Expert Witness*
 - b. System Regulation 31.05.01, *Faculty Consulting, Outside Professional Employment, and Conflicts of Interest*
 - c. System Regulation 31.05.03, *Witness in Judicial Actions or Legislative Investigations*
 - d. System Regulation 33.04.01, *Use of System Resources for Outside Professional Activities*
 - e. My institution's or agency's rule on consulting, outside professional employment and conflicts of interest and agree to conduct my consulting/outside employment in accordance with the provisions contained
- I understand that this form is a legal document.

Employee Signature
UIN
Date

APPROVAL RECOMMENDED:

APPROVED:

Head of Department, Center, or Unit
Date

Date

Date

NOTE: REQUESTS WILL NOT BE APPROVED FOR A PERIOD OF LONGER THAN ONE YEAR AND ALL AUTHORIZATIONS WILL TERMINATE AUGUST 31 OF EACH YEAR.

DISTRIBUTION: employee, employee official personnel file, & Extension leave clerk (if applicable).

SUBMIT ORIGINAL VIA LASERFICHE

For questions concerning this form, please call 979-845-2423.

EXAMPLE: GROUP OR COMMITTEE BUDGET

A. Budget Committee

Chairman Sandra Caldwell

Treasurer Marty Jones

Member Susie Jetson

Member Harvey Wallace

Member Martin Brokaw

Member Cynthia Rayluvor

Adult Advisor (if applicable) _____

B. _____ Proposed Budget for _____ County

INCOME	Budget FY 03-04	Actual As of 8/31/04
1. Carryover past fiscal year	700.00	550.00
2. Expected pecan sales income	<u>2,000.00</u>	<u>2,100.00</u>
Sub-Total	2,700.00	2,650.00
3. Other income		
a. Best foundation	100.00	125.00
b. Allied co-op annual gift	50.00	50.00
c. J.C. Jones annual gift	<u>100.00</u>	<u>100.00</u>
Sub-Total	250.00	275.00
TOTAL INCOME	2,950.00	2,925.00
EXPENSES		
1. Project recognition awards for members	\$500.00	440.00
2. County recognition program	150.00	125.00
a. Decorations		
b. Printed materials		
c. Speaker expenses		
3. Annual County Conference	100.00	95.00
4. Annual County Project Show	500.00	495.00
5. Annual County Citizenship Trip	500.00	500.00
6. Contribution to equipment	100.00	110.00
7. Contribution to supplies	50.00	55.00
8. Contribution to educational events	25.00	25.00
9. County community service projects	250.00	200.00
10. Contingency fund	250.00	0.00
11. Volunteer training expenses	100.00	150.00
12. Curriculum purchase	<u>250.00</u>	<u>245.00</u>
TOTAL EXPENSES	2,775.00	2,440.00
EXPECTED PROFIT/(LOSS)	175	485

GROUP OR COMMITTEE BUDGET

A. Budget Committee

Chairman _____
 Treasurer _____
 Member _____
 Member _____
 Member _____
 Member _____
 Adult Advisor (if applicable) _____

B. _____ Proposed Budget for _____ County

INCOME	Budget FY _____	Actual As of _____
TOTAL INCOME	\$0.00	\$0.00
EXPENSES		
TOTAL EXPENSES	\$0.00	\$0.00
EXPECTED PROFIT/(LOSS)	0	0

(To be used at discretion of external support group in reporting to committee)

EXAMPLE - Balance Sheet

As of August 31, 2004

Assets		
Cash		2,365.47
Receivables (pecan sales)		425.00
Inventory (e.g. sprayer, sewing machines, rifles)		2,250.00
Other (CD)		1,000.00
	Total Assets	<hr/> 6,040.47
Liabilities		
Payables (Show awards)		450.00
Debt		0.00
	Total Liabilities	<hr/> 450.00
Net Worth		5,590.47

The Balance Sheet is a basic financial statement that is a “snapshot” of the organization’s financial position at any given moment in time. It does not demonstrate how income is generated or what expenditures are made.

External Support Group Fund Review

Note: Appropriate explanation and complete documentation should be provided for all exceptions to Texas AgriLife Extension Service Rules and TAMUS Policy.

(This form should be completed in preparation for program and compliance reviews.)

County: _____

I. Titles of External Support Group Bank/Savings Accounts.

II. Do all accounts have a Tax Identification Number applied for by the External Group leadership?
Exceptions:

III. Does any Texas AgriLife Extension Service employee have any signature authority or any other administrative control (formal or informal) over any of the accounts listed above?
Exceptions:

IV. Does any county employee under the supervision of any Texas AgriLife Extension Service employee have signature authority over any of the accounts listed above?

Exceptions: Employee Name Title Account Title

V. Are any signed checks with blank payee ever provided to support programs conducted by Texas AgriLife Extension Service employees?

VI. Does the External Support Group have a financial review of activities at least annually that is shared with and approved by the group's leadership team?

VII. Does the External Support Group have an inventory of tangible property?

VIII. List External Support Groups which have received Texas AgriLife Extension Service training and materials related to Best Practices in Financial Resource Management.

Recommendations:

Annual Review of Support Group Fund

(Information to be provided by support group)

a. Account Name: _____

Is this a proper account name? Yes No

If no, how should the account name be changed?

b. Employer Tax ID Number: _____

Is this a legitimate ID Number? Yes No

If no, what should be done to acquire an Employer Tax ID Number?

c. Whose signatures are on this account?

Are these acceptable signatures? Yes No

If no, what should be changed?

d. Is there an annual budget for this account number? Yes No

If no, what should be done to prepare a budget?

e. Is there a current bank statement for this account? Yes No

f. Is tangible property owned by this support group? Yes No

If yes, provide a list of property. (Example: computer, printer, spray tank, trailer, etc.)

g. Are there standing rules for this support group? Yes No

If no, what should be done to prepare standing rules?

h. Are there investment policies for this support group? Yes No

If no, what should be done to prepare investment policies?

Submitted by (Volunteer) Date

Reviewed by (Agent) Date

Approved by (DEA/CED) Date

4-H Name and Emblem

The 4-H Name and Emblem are protected under federal statute (Title 18, U.S.C. 707) which states:

Whoever, with intent to defraud, wears or displays the sign or emblem of the 4-H clubs, consisting of a green four-leaf clover with stem, and the letter H in white or gold on each leaflet, or any insignia in colorable imitation thereof, for the purpose of inducing the belief that he is a member of, associated with, or an agent or representative for the 4-H clubs; or

Whoever, whether an individual, partnership, corporation or association, other than the 4-H clubs and those duly authorized by them, the representatives of the United States Department of Agriculture, the land-grant colleges, and persons authorized by the Secretary of Agriculture, uses, within the United States, such emblem or any sign, insignia, or symbol in colorable imitation thereof, or the words "4-H Club" or "4-H Clubs" or any combination of these or other words or characters in colorable imitation thereof --

Shall be fined not more than \$5,000 for individuals and \$10,000 for groups, or imprisoned not more than six months, or both.

How to Secure a Bond for Individual(s) Who Handles Money

These steps are intended to guide you through the process of securing a bond for persons who will be handling money on behalf of the organization.

Step 1: Identify the individual(s) that have responsibility and will be handling the organization's funds. This may also include anyone who has access to the organization's accounts or assets. You can bond as many people in your group as necessary.

Step 2: Complete the Bonding Computation Worksheet to determine the amount of money that is to be covered by the bond.

Step 3: Contact an approved surety company. A listing of companies approved by the U.S. Treasury Department can be found at <http://www.fms.treas.gov/e570/e570.html>. Some of your local insurance companies may be listed with the U.S. Treasury and may be able to provide this service to your organization.

Step 4: The surety company can guide you in determining the needed amount for bonding as identified in the sample worksheet above on lines 7 and 8. The surety company may ask other questions about your organization to help determine the cost of the surety bond. Some questions might include the nature of the organization (non-profit) and the status of the individual (volunteer or employee) to be covered by the bond.

Step 5: As the premium may vary from one surety company to another, it is advisable to contact more than one to compare services and cost.

Step 6: Make arrangements with the surety company selected to provide the service to pay the premium and provide the necessary information to secure the bond.

Step 7: The organization should keep the bonding records on file with other group records and make necessary changes immediately upon change of status of the bonded individual(s).

Estimated Costs for Securing a Bond

Costs will vary from organization to organization and surety company to surety company. Variables in determining the cost include but are not limited to:

- * Number of people to be covered by the bond
- * Role of the people to be covered by the bond (receipting only vs. receipting and access to assets)
- * Position of the people in the organization (volunteer vs. employee)
- * Nature of the organization (non-profit)
- * Amount to be covered/bonded

A quote from one approved surety company listed a premium of \$95.00 annually to cover one person who was only receipting funds for a non-profit organization as a volunteer, and for the amount listed in the sample worksheet above. The quote covered the individual from \$50,000 to \$500,000. This information may be helpful in understanding the cost to secure a bond. Keep in mind that this is similar to an insurance policy for a vehicle or home, the premium (cost) will vary based on the determinable risk.

TRANSMITTAL FORM
For Documentation of Transfer of Received Funds

RECEIVED:

Cash:	Receipt Number(s)	_____	\$ _____
		_____	\$ _____
		_____	\$ _____
		_____	\$ _____
		_____	\$ _____

Checks:	Check #:	_____	Receipt Number(s)	_____	\$ _____
		_____		_____	\$ _____
		_____		_____	\$ _____
		_____		_____	\$ _____
		_____		_____	\$ _____
		_____		_____	\$ _____

TOTAL TRANSMITTAL \$ _____

Received From: (Signature) _____
 Print Name: _____
 Date: _____ / _____ / _____

Received: (Signature) _____
 Print Name: _____
 Date: _____ / _____ / _____

CHECK REQUEST

Date: _____

Payable to: _____

Amount (attach original bills): \$ _____

Account: _____

Purpose of purchases: _____

Disposition of check:

Mail to: _____

Return to: _____

Requested by: _____ Date: _____

Approved by: _____ Date: _____

Check amount: \$ _____ Check no. _____ Dated: _____

(Forward Original and One Copy, Retain One Copy)

**Required Dissolution Clause
Local Club or Group By-Laws**

Dissolution

In case of the dissolution of the _____

Club/Group/Organization, the executive committee shall, after settling all outstanding accounts and disposing of all equipment,

assign all of the funds to the _____ County Program.

Form **SS-4**
(Rev. January 2010)
Department of the Treasury
Internal Revenue Service

Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

OMB No. 1545-0003

EIN

▶ See separate instructions for each line. ▶ Keep a copy for your records.

Type or print clearly.

1 Legal name of entity (or individual) for whom the EIN is being requested	
2 Trade name of business (if different from name on line 1)	3 Executor, administrator, trustee, "care of" name
4a Mailing address (room, apt., suite no. and street, or P.O. box)	5a Street address (if different) (Do not enter a P.O. box.)
4b City, state, and ZIP code (if foreign, see instructions)	5b City, state, and ZIP code (if foreign, see instructions)
6 County and state where principal business is located	
7a Name of responsible party	7b SSN, ITIN, or EIN
8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input type="checkbox"/> No	8b If 8a is "Yes," enter the number of LLC members ▶
8c If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No	
9a Type of entity (check only one box). Caution. If 8a is "Yes," see the instructions for the correct box to check.	
<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Partnership _____ <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Personal service corporation _____ <input type="checkbox"/> Church or church-controlled organization _____ <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> Other (specify) ▶ _____	
<input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises <input type="checkbox"/> Group Exemption Number (GEN) if any ▶ _____	
9b If a corporation, name the state or foreign country (if applicable) where incorporated	State _____ Foreign country _____
10 Reason for applying (check only one box)	
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Created a pension plan (specify type) ▶ _____ <input type="checkbox"/> Other (specify) ▶ _____	
11 Date business started or acquired (month, day, year). See instructions.	12 Closing month of accounting year
13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.	14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input type="checkbox"/>
Agricultural _____ Household _____ Other _____	
15 First date wages or annuities were paid (month, day, year). Note. If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶	
16 Check one box that best describes the principal activity of your business.	
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail <input type="checkbox"/> Other (specify) _____	
17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.	
18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," write previous EIN here ▶	

Third Party Designee	Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.	
	Designee's name	Designee's telephone number (include area code) ()
	Address and ZIP code	Designee's fax number (include area code) ()
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.		Applicant's telephone number (include area code) ()
Name and title (type or print clearly) ▶		Applicant's fax number (include area code) ()
Signature ▶	Date ▶	

Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.¹ See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a-8a, 8b-c (if applicable), 9a, 9b (if applicable), and 10-14 and 16-18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a-6, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10-18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 16.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) ²	Complete lines 1-18 (as applicable).
Purchased a going business ³	Does not already have an EIN	Complete lines 1-18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust ⁴	Complete lines 1-18 (as applicable).
Created a pension plan as a plan administrator ⁵	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a-5b, 9a, 10, and 16.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI); avoid withholding on portfolio assets, or claim tax treaty benefits ⁶	Complete lines 1-5b, 7a-b (SSN or ITIN optional), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1-6, 9a, 10-12, 13-17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 ⁷	Complete lines 1, 2, 4a-5b, 9a, 10, and 16.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes ⁸	Complete lines 1-18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation ⁹	Complete lines 1-18 (as applicable).

¹ For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

² However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(ii).

³ Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

⁴ However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the instructions for Form 1041.

⁵ A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

⁶ Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

⁷ See also *Household employer* on page 4 of the instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

⁸ See *Disregarded entities* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

⁹ An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

Form **SS-4**
(Rev. January 2010)
Department of the Treasury
Internal Revenue Service

Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

OMB No. 1545-0003

EIN

▶ See separate instructions for each line. ▶ Keep a copy for your records.

Type or print clearly.	1 Legal name of entity (or individual) for whom the EIN is being requested Spring Creek 4-H Club	
	2 Trade name of business (if different from name on line 1)	3 Executor, administrator, trustee, "care of" name
	4a Mailing address (room, apt., suite no. and street, or P.O. box) 1234 Fun Street	5a Street address (if different) (Do not enter a P.O. box.)
	4b City, state, and ZIP code (if foreign, see instructions) Weslaco, TX 7777	5b City, state, and ZIP code (if foreign, see instructions)
	6 County and state where principal business is located Hidalgo County, TEXAS	
	7a Name of responsible party Fred Jones	7b SSN, ITIN, or EIN 444-44-4444
8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		8b If 8a is "Yes," enter the number of LLC members ▶
8c If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No		
9a Type of entity (check only one box). Caution: If 8a is "Yes," see the instructions for the correct box to check.		
<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Personal service corporation <input type="checkbox"/> Church or church-controlled organization <input checked="" type="checkbox"/> Other nonprofit organization (specify) ▶ Education <input type="checkbox"/> Other (specify) ▶ _____		
<input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises Group Exemption Number (GEN) if any ▶ _____		
9b If a corporation, name the state or foreign country (if applicable) where incorporated	State	Foreign country
10 Reason for applying (check only one box)		
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input checked="" type="checkbox"/> Banking purpose (specify purpose) ▶ 4H Club Account <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Other (specify) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____		
11 Date business started or acquired (month, day, year). See instructions. August 15, 2009		12 Closing month of accounting year August
13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.		14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input checked="" type="checkbox"/>
Agricultural 0	Household 0	
15 First date wages or annuities were paid (month, day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶ n/a		
16 Check one box that best describes the principal activity of your business.		
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input checked="" type="checkbox"/> Other (specify) Education <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail		
17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided. N/A		
18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," write previous EIN here ▶ _____		
Third Party Designee	Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.	
	Designee's name	Designee's telephone number (include area code) ()
	Address and ZIP code	Designee's fax number (include area code) ()
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.		Applicant's telephone number (include area code)
Name and title (type or print clearly) ▶ Fred Jones		(956) 444-4444
Signature ▶ _____		Applicant's tax number (include area code) (956) 444-4440
Date ▶ _____		

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 15055N Form **SS-4** (Rev. 1-2010)

Texas Sales and Use Tax Exemptions for Extension External Groups

Texas exempts qualified organizations from sales taxes. Organizations that might qualify include certain 501 (c)3 organizations, educational, and charitable groups

Texas Tax Exempt Organizations - An organization may be exempt as an educational organization if it provides instructional presentations. This URL contains information about exempt organizations, forms, publications, and frequently asked questions.

URL - <http://www.window.state.tx.us/taxinfo/exempt/index.html>

Guidelines to Texas Tax Exemptions, September 2003 for Educational Organizations - (Tax Code Secs. 151.310, 156.102 and 171.061) Nonprofit educational organizations can be exempted from sales taxes. To qualify, the organization must be an organization with activities consisting solely of public discussion groups, forums, panels, lectures or other similar programs if the presentations provide instruction in the commonly accepted arts, sciences and vocations.

URL - http://www.window.state.tx.us/taxinfo/taxpubs/tx96_1045.html

Contact the Texas Comptroller of Public Accounts - To determine eligibility for exemption, the Texas Comptroller of Public Accounts can be reached directly by:

Mailing Address

Texas Comptroller of Public Accounts
Post Office Box 13528, Capitol Station
Austin, Texas 78711-3528

Physical Location

Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Telephone

Sales and Use Tax Questions
1-800-252-5555

E-mail

Exempt Organizations
exempt.orgs@cpa.state.tx.us

Application for Exemption - Educational Organization

To apply with the State of Texas for Sales Tax and Use Exemption, organizations should complete the appropriate form (AP-207) and submit all necessary information directly to the Texas Comptroller of Public Accounts. You can find the attached form (AP-207) at the URL listed above for "Texas Tax Exempt Organizations."

TEXAS APPLICATION FOR EXEMPTION—EDUCATIONAL ORGANIZATIONS



SUSAN COMBS • TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Nonprofit educational organizations should use this application to request exemption from Texas sales tax, hotel occupancy tax and franchise tax, if applicable.

To receive a state tax exemption as an educational organization, a nonprofit educational organization must be devoted solely to systematic instruction (particularly in the commonly accepted arts, sciences and vocations) with a regularly scheduled curriculum, faculty and an enrolled student body or students in attendance at a place where the educational activities are regularly conducted. An educational organization can also qualify if its activities consist solely of public groups, forums, panels, lectures or other similar programs, and the presentations provide instruction in the commonly accepted arts, sciences and vocations. Exemption from federal tax as a 501(c) organization is not required to qualify for exemption from state tax as an educational organization.

Public and private colleges, universities, junior colleges and community colleges from other states and nations do not qualify as educational organizations exempt from Texas hotel occupancy tax.

The exemption for educational organizations is provided for in Sections 151.310, 156.102 and 171.061 of the Texas Tax Code; more detailed information can be found in Comptroller Rules 3.322, 3.161, 3.541 and 3.583.

Some organizations will not qualify for an exemption as an educational organization as that term is defined in Texas' law and rules, even through their activities may be educational in nature. Such an organization might still qualify for exemption from Texas sales tax and franchise tax, if applicable, under certain sections of the Internal Revenue Code (IRC).

Texas tax law provides an exemption from sales tax on goods and services purchased for use by organizations exempt under IRC Section 501(c)(3), (4), (8), (10) or (19). However, exempt organizations are required to collect tax on most of their sales of taxable items. See *Exempt Organizations - Sales and Purchases*, Publication 96-122.

Texas law also provides an exemption from franchise taxes for corporations exempted from the federal income tax under IRC Section 501(c)(2), (3), (4), (5), (6), (7), (8), (10), (16), (19) or (25).

If your organization has been granted federal tax exemption under one of the qualifying sections listed above, your organization will be granted an exemption from Texas sales tax, or sales and franchise tax, on the basis of the Internal Revenue Service (IRS) exemption, as required by state law.

Organizations that qualify for exemption based on the federal tax exemption are not exempt from hotel occupancy tax because the hotel occupancy tax law does not recognize any federal exemptions.

The laws, rules and other information about exemptions are online at:

www.window.state.tx.us/taxinfo/exempt

Send the completed application along with all required documentation to:

Comptroller of Public Accounts
Exempt Organizations Section
P.O. Box 13528
Austin, TX 78711-3528

We will contact you within 10 working days after receipt of your application to let you know the status of your application. We may require an organization to furnish additional information to establish the claimed exemption. After a review of the material, we will inform the organization in writing if it qualifies for exemption. The Comptroller, or an authorized representative of the Comptroller, may audit the records of an organization at any time during regular business hours to verify the validity of the organization's exempt status.

If you have questions or need more information, contact our Tax Assistance staff at (800) 252-5555 or in Austin at (512) 463-4600.

You have certain rights under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at the address or toll-free number listed on this form.



PRINT FORM CLEAR FIELDS

TEXAS APPLICATION FOR EXEMPTION – EDUCATIONAL ORGANIZATIONS

Remove All Staples • TYPE OR PRINT • Do NOT write in shaded areas.

SECTION A

1. ORGANIZATION NAME
(Legal name as provided in the formation document, or if unincorporated, the governing document.)

2. ORGANIZATION MAILING ADDRESS
Street number, P.O. Box or rural route and box number

City State/Province ZIP Code County (or country, if outside the U.S.)

3. Earliest date organization conducted classes

4. Number and age of students

5. Number of instructors

6. Texas taxpayer number (if applicable)

7. Federal Employer Identification Number (EIN)
(Required if applying for exemption on the basis of a federal exemption)

8. a) Enter filing information issued by the Texas Secretary of State File Number File Date
OR
b) Check this box if this organization is not registered with the Texas Secretary of State.

9. Contact information of the person submitting this application

Name E-mail Address

Firm or Company Name Daytime Phone (Area code and number) Extension

Address City State ZIP Code

We will notify you by e-mail when the exemption has been added to let you know where the exemption can be verified online. If an e-mail address is not provided, indicate where our response should be mailed: organization's mailing address or mailing address of the submitter.

SECTION B

Please review the information below. If your organization is applying for exemption on the basis of an IRS exemption, complete Item 10. If your organization is applying for exemption as an educational organization under Texas law and rules, complete Item 11.

Item 10. Check here to apply for an exemption on the basis of a federal exemption.

Return the completed application with a copy of the entire IRS determination letter and any addenda. The organization's name on the IRS determination letter must match the organization's legal name as listed in the Articles of Incorporation or governing document. If the IRS determination letter was issued more than four years prior to the current date, include a copy of a current IRS verification letter. To obtain a current letter, contact the IRS at (877) 829-5500.

Item 11. Check here to apply for exemption as an educational organization.

The following documents must be included with your application. Information may be in the form of a bulletin, brochure, written statement or Web site:

- A copy of the curriculum and a written statement or any brochures, pamphlets or Web site addresses that describe all of the activities of the organization.
- A statement including the physical address (street number and name, or rural route and box number, not a P.O. Box), and indicating the type of facility (office building, school, private home, etc.) where classes are held.
- A copy of the IRS determination letter, if your organization is exempt under a qualifying section of the IRC, or, if the organization is affiliated with a parent entity that has a federal group exemption under one of the qualifying IRC sections, attach a letter of verification from the parent entity that confirms the organization is a recognized subordinate under its federal group exemption. If the parent organization has not yet obtained exemption from Texas franchise tax and/or sales tax, provide a copy of the parent organization's entire IRS group exemption ruling letter along with the letter of affiliation.
 - **Special note to unincorporated entities:** Include your organization's governing documents, such as bylaws or constitution.
 - **Special note to non-Texas corporations:** Include a file-stamped copy of your organization's formation documents AND a current Certificate of Existence from the Secretary of State or equivalent officer in your home state.



SAVE A COPY CLEAR SIDE

TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION

Name of purchaser, firm or agency
Address (Street & number, P.O. Box or Route number)
Phone (Area code and number)
City, State, ZIP code

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:
Seller:
Street address: City, State, ZIP code:
Description of items to be purchased or on the attached order or invoice:
Purchaser claims this exemption for the following reason:
I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.
I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.
sign here Purchaser Title Date

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.
THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.
Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

This certificate should be furnished to the supplier. Do not send the completed certificate to the Comptroller of Public Accounts.

PRINT FORM

CLEAR FORM

12-302 (Rev 4-07/17)

TEXAS HOTEL OCCUPANCY TAX EXEMPTION CERTIFICATE



NOTE: This certificate is for business only, not to be used for private purposes, under penalty of law. The hotel operator may request a government ID, business card or other identification to verify exemption claimed. Certificate should be furnished to the hotel or motel. DO NOT send the completed certificate to the Comptroller of Public Accounts. The certificate does not require a number to be valid. Refer to Hotel Rule 3.161 for exemptions.

Check exemption claimed:

- United States government or Texas government official exempt from state, city, and county taxes. Includes US government agencies and its employees traveling on official business, Texas state officials or employees who present a Hotel Tax Exemption Photo Identification Card, and diplomatic personnel of a foreign government who present a Tax Exemption Card issued by the US Department of State.
Religious, charitable, or educational organization or employee exempt from state tax only. Educational organizations include school districts, private or public elementary and secondary schools, and Texas institutions of higher education as defined in Section 61.003, Texas Education Code. Beginning October 1, 2003, non-Texas institutions of higher education (public and private universities, junior colleges, community colleges) must pay the state hotel occupancy tax. Religious and charitable organizations must hold a letter of exemption issued by the Comptroller of Public Accounts to claim the exemption.
Other. Organization exempt by law other than Chapter 156, Tax Code. Specify reason for exempt status below. Supporting Documentation Required.

Form fields for Name of exempt organization, Organization exempt status, and Address of exempt organization.

GUEST CERTIFICATION: I declare that I am an occupant of this hotel/motel on official business sanctioned by the exempt organization named above and that all information shown on this document is true and correct.

Guest name (Please print)

sign here

Date

FOR HOTEL/MOTEL USE ONLY (OPTIONAL)

Form fields for Name of hotel/motel, Address of hotel/motel, Room rate, Local tax, Exempt state tax, Amount paid by guest, and Method of payment.

You have certain rights under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. To review or correct your state tax-related information, contact the Texas State Comptroller's office.

Hotels may require verification before accepting a hotel occupancy tax exemption certificate. An organization may qualify for hotel occupancy tax exemption even when it does not have a Comptroller's letter of hotel tax exemption or cannot be found on the Comptroller's list of exempt organizations. Some examples include churches, public schools and community colleges.

You may need to pay the tax until verification of hotel tax exemption can be obtained from the Comptroller's office. You can apply to the hotel for a refund or credit.

A list of charitable, educational, religious and other organizations that are exempt from state and/or local hotel tax is online at http://window.state.tx.us/taxinfo/exempt/exempt_search.html. Other information about Texas tax exemptions, including applications, is online at http://window.state.tx.us/taxinfo/exempt/index.html.

You can also send an e-mail to exempt.orgs@cpa.state.tx.us or call (800) 252-1385.