

March 10, 2014 Monthly Meeting
USDA Service Center
Board meeting 3:00 pm

Pfeifer called the meeting to order.

Supervisors present: Jim Pfeifer, Reid Christopherson, Ron Johnson, Tom Wolles

Others present: John Parker, Dan Mehlhaf, Brian Top, Jim Jackson

Agenda: Handed out at meeting. MSP to approve by Christopherson and Wolles. All ayes.

Minutes of January meeting: Handed out. MSP to approve by Johnson and Christopherson. All ayes.

Treasurer's report: Handed out at meeting. MSP to approve by Christopherson and Johnson. All ayes.

Bills: Approved to pay except Big Sioux and Chamber. MSP to approve by Christopherson and Johnson. All ayes.

NRCS activity report: Given by Dan Mehlhaf on Deron Ruesch's behalf.

Old business:

- Bio-Solids Update: MSP Johnson and Christopherson to redo the contract for a period of three years and subcontract the 5' soil probe to Bruce Kunze. All ayes.
- Soil Probe: No deep soil probe has been found. Still looking, but not a top priority.
- Update on District Services: Reviewed drilling acres, bare root orders, and tree plantings.
- Accounting Services: MSP Christopherson and Wolles to continue with Richard's Bookkeeping. All ayes.
- Gevik Learning Area Report – SDSU Bio-Reactor: MSP Christopherson and Wolles to place signs as soon as frost is out of the group, and work with Master Gardeners and 4H on planted area and signs. All ayes.
- Seed Sales: MSP Wolles and Johnson for Pfeifers and Minnehaha Conservation District to sell seed in conjunction with Millborn Seeds, Brookings. All ayes.
- Water Festival/Ag Day: MSP Wolles and Christopherson for the Minnehaha Conservation District to attend and participate in both events. All ayes.
- Website: MSP Christopherson and Wolles for Melanie to continue working on the website, grant research, meeting minutes, and correcting QuickBooks database. All ayes.
- Hoo-Hoo: MSP Christopherson and Wolles for the Minnehaha Conservation District to provide a source for trees to the Hoo-Hoo Club as they work with 4H, Boy Scouts, etc for education and fund raising. All ayes.
- Wetland Work: TopSoil will train Denise Fletcher on wetland maps so she can start assisting with wetland determinations in April.
- Leadership Conference in Pierre: Provided good training and information. Emphasis was to look to the future and be aggressive in thinking and business ideas. John thanked the board for approving his attendance.
- Information Gathering for Producers: MSP Christopherson and Johnson for the District to work with the NRCS to help gather information for programs and projects. All ayes.
- CRP-Trees: There were nine producers interested, but no CRP tree programs were available in 2014.
- Re-elections: John is looking into re-elections to see which Board members are up for election. A report will be given at the April meeting.

New business:

- Skunk Creek Project: Discussion regarding becoming a cooperating partner with Moody Conservation District on the Skunk Creek project. The following questions were sent to the State Attorney and are awaiting a response:
 1. Who is legally responsible for enforcing violations of the program?
 2. Who is legally responsible for payment of site monitoring?
 3. Who is responsible for the contract if the host county is not available to pay or enforce situations?MSP Christopherson and Johnson to continue getting answers. All ayes.

- Accounting Requirements for State:
Statutory Background

The statutory references relating to the financial administration of conservation districts are as follows: (for complete text of the statutes and rules, contact the division)

South Dakota Codified Law (SDCL):

- 38-7-23: The Division of Resource Conservation and Forestry shall have the duty and power to require proper accounting and financial reporting procedures by conservation districts and to assist in the implementation of these procedures.
- 38-8-48 The supervisors of a conservation district may provide for surety bonds; shall provide for the keeping of a full and accurate record of all proceedings and of all resolutions and orders issued or adopted; shall prepare financial reports and report of progress; reports shall be prepared within sixty days of the close of the district's fiscal year, and the written reports shall be kept at the principal place of business of both the Division of Resource Conservation and Forestry and the district.
- 38-8-49 A conservation district is a governmental subdivision of this state.
- 38-8-49.1 A conservation district shall prepare a budget and present to the county commission.
- 38-8-53 Creates the revolving loan fund for the purchase of necessary equipment, trees, and other planting materials, and supplies as needed in furthering the program of conservation in these districts.
- This fund shall be made available to conservation districts of the state on a reimbursable basis.
- 38-8-54 Any conservation district receiving funds from the county shall file with the county commissioners a financial statement for the last three years itemizing the amount of funds received and how disbursed.
- 38-8-57 Any conservation district receiving funds under §§ 38-8-55 and 38-8-56 shall file with the county commissioners an itemized annual financial report within sixty days following the end of the district's fiscal year.
- 38-8-59 Conservation districts are exempt from statutory requirements pertaining to bids and surplus property unless specifically referred.

Annotated Rules of South Dakota:

- 12:03:03 Loans may be made for up to five years; minimum payment is \$250; interest is accumulated at 3% per year.

Accountability

Supervisors are accountable for the use of public funds. Supervisors, therefore, are obligated to ensure that the district employees are following this manual.

Internal controls need to be in place and steps taken to promote their effectiveness. Internal control is the system of checks and balances within your district which helps to ensure that your assets are properly safeguarded and that the financial information produced by the district is accurate and reliable. Good internal controls require clear lines of authority and responsibility, appropriate reporting relationships, appropriate separation of authority, and open communication. See Appendix E, page 32 for a self-checklist of internal controls.

Internal control systems, all transactions, and other significant events are to be clearly documented, and the documentation is to be readily available for examination. This requires written evidence of

- (1) A district's internal control systems – a description of the method used for internal control. This provides for a system the district uses to maintain the integrity of its financial records. This includes a written policy or procedure for all transactions and methods of record keeping. See "Formal Review and Checklist," Appendix E, page 29.
- (2) All pertinent aspects of transactions and other significant events of a district.

Transactions and other significant events are to be authorized and conducted only by the board chairman and/or those other board members and employees specifically empowered by the board.

Although it is not possible in smaller district offices, key duties and responsibilities should be separated among individuals. Key duties include, but are not limited to, authorizing, approving, and recording transactions; issuing and receiving assets; making payments; and reviewing or auditing transactions.

Qualified and continuous supervision should be provided to ensure that internal control objectives are achieved. This standard requires supervisors to continuously review and approve the assigned work of the employee(s). It also requires that the staff is provided with the necessary guidance and training to help ensure that errors, waste, and wrongful acts are minimized and that specific management directives are followed.

Conservation plan approvals:

- None at this time as they were signed on 3/3/14.

Other business and announcements:

- None

MSP Wolles and Johnson to adjourn. All ayes.

NEXT MEETING DATE: April 14, 2014 - 3:00 pm at the USDA Service Center

Submitted by John Parker, District Manager