SWCD Finance Basics – *Jason Weinerman, BWSR Board Conservationist*

In order to be successful, a SWCD must have a process for determining financial priorities and allocating resources to meet those priorities. During this session, we will provide an overview of SWCD funding sources, grant and program basics, and fiduciary duties of district board members. We will also explore the role of the treasurer and the presentation of information during the District’s monthly board meetings.

---

**I. What is the purpose of SWCD financing?**

a. Focus on fulfilling the purpose of the Conservation District
   
   i. How does your district’s financing help achieve your district’s mission statement?
   
   ii. How does your district’s financing help you achieve both the overall goal of the comprehensive plan and the smaller activities within the plan?
   
   iii. How does your district’s financing support or integrate other plans?

b. How does your financing contribute/hinder your district’s ability to have an effective...
   
   i. Organizational structure (staffing, space, equipment, etc.)
   
   ii. Outreach (incentives, technical assistance, outreach, etc.)

c. **Takeaway:** District financial management should be more than the process of paying bills and tracking funds but should focus on achieving the larger goals of clean water and healthy soils.

---

**II. Who funds your SWCD and who does your SWCD fund?**

a. Revenue
   
   i. County
      
      1. Delegated funds
      
      2. General funds: Why is the county funding you? What goods/services are you providing the county?

   ii. State funds
1. The State legislature provides funds to BWSR with specific intent and programmatic guidance
   a. General funding: specific program focus
   b. Competitive: Why is your project the best project in the State?
2. All funds have a grant agreement that lays out expectations
   iii. Self-generated funds: The legislation allows for broad latitude to self-generate funds. What is your district’s philosophy in relation to self-generating funds?

b. Expenditures
   i. Personnel
   ii. Operational
   iii. Project Funding
   iv. Need to account for expected increases (inflation raises, etc.)
c. Budgeting: Annual budgets will vary depending on district’s annual financial need
   i. Save
   ii. Spend
d. Some grants and funding sources need to tie revenue through to expenditure
e. **Takeaway:** Revenues and Expenditures are how a district financially operates. Understanding how money comes in and goes out is one of the most important parts of a district’s financial management.

III. Grants and Grant Agreements
    a. A grant is a tool through which the State provides a district the funds to accomplish the STATE’S objective.
    b. Grant agreements
       i. Legally binding documents
          1. Starting dates
          2. Ending dates
          3. SWCD duties
          4. Terms of payment
          5. Other constraints
       ii. Generated by the granting organization to accomplish the grantee’s objectives.
c. **Takeaway:** Grants are the tools through which the State meets its objectives. When an SWCD signs a grant agreement, the district commits to adhering to the rules of the grantee, which may not be perfectly aligned with local objectives.

**IV. What the Law says.**

a. MS 103C provides for specific language that requires districts to perform certain activities in relation to financial management.
   i. The position of the treasurer
   ii. Reports provided to the State
   iii. Budget request to the county

b. **Takeaway:** A Soil and Water Conservation District is governing by specific State laws. These laws provide the framework within much of district financial management occurs. Understanding these laws is important to know the parameters within which a district can financially operate.

**V. What does the District Treasurer do?**

a. Oversees the financial matters of the district
   i. Receipts, expenditures
   ii. Monthly, Quarterly, Annual reports
   iii. Payment of bills
   iv. Developing fiscal budget
   v. Surety bonds

b. Above and beyond
   i. Knowledge of financial trends (revenues, expenditures)
   ii. Long-term fiscal outlook of district
   iii. Provide a second set of eyes for the district staff

c. **Takeaway:** The treasurer’s basic role is to work with staff for the financial oversight of the district. However, the treasurer should also consider adopting a long-term perspective to better understand how the district’s finances evolve over time and to allow for better responsiveness to changes.