

## **COUNTY EXTENSION COUNCILS:**

### **Weighing the Advantages of Local Administration**

#### **ADVANTAGES:**

1. The Extension Council is directly involved, approving proposals and signing contracts.
2. Local visibility is enhanced. Note: If the project impact is beyond a few local counties, the administration should be on campus through the ISU Office of Sponsored Programs.
3. Ability to respond on short notice is enhanced.
4. Some sponsors only fund locally.
5. There is more local control. The District avoids ISU hiring and purchasing procedures.
6. The Extension District can determine salaries/wages based on local wage scales.
7. The Extension District may charge for indirect costs if allowed by the granting agency. If grant funds are federal, the District must have an indirect cost rate proposal on file.

#### **DISADVANTAGES:**

1. Cash flow can be a problem for cost-reimbursable grants.
2. Unemployment compensation is a potential fiscal liability because most Extension Districts are not contributing agencies.
3. The Council accepts fiscal responsibility and may have to pay the cost of a special audit, if required.
4. The District must handle payroll, withholding, subcontracts, and fiscal reporting.
5. A written agreement between the District and ISU is required if the grant will pay for time of ISU employees.
6. Grants may be federal or federal flow-through dollars. If so, the Extension District must comply with Federal Circulars A-21 and A-110. Most Districts have limited knowledge of these circulars.
7. Some grants require matching funds. Extension Districts may have limited knowledge of the procedures necessary to document matching funds for audit purposes and, in some cases, have limited dollars to use as match.
8. Financial risk should be considered. Auditors will review transaction details on both grant funds and matching funds. Expenditures that are disallowed or projects with insufficient match expenditures will require the Extension District to re-pay grant funds.