



## SOUTH DAKOTA DEPARTMENT OF AGRICULTURE REPORT TO JOINT COMMITTEE ON APPROPRIATIONS

TO: Joint Committee on Appropriations: Chair Karr, and Chair Wiik

FROM: Chris Petersen, Finance Officer

DATE: November 1, 2019

RE: Report to the Joint Committee on Appropriations – Billing for services provided by the SD Department of Agriculture to the boards, commissions and councils housed under SDDA.

### **Issue**

On behalf of the South Dakota Department of Agriculture (SDDA) please find this memo as our fulfillment of the request from the Joint Committee on Appropriations (JCA) to report and provide an update on the *“changes to statute, administrative rule, and internal processes and procedures”* related to SDDA’s *“accounting, legal and any other services rendered to the boards, commissions, and councils housed under SDDA”*.

### **Background**

Consistent with testimony provided to the JCA during the 2019 legislative session, SDDA does not have statutory authority to bill for services provided to the grain checkoff boards, commissions, and councils that report through the SDDA. As outlined in the JCA’s letter of intent, the SDDA has implemented new processes and procedures to track and record staff resources provided directly to the grain checkoff boards, commissions, and councils. The process of tracking staff time was implemented at the start of FY2020. Even though SDDA has no authority to bill for services in FY2020, the staff time being recorded this fiscal year should provide an accurate assessment of the future impact of billed services, provided statutory changes are made.

Currently the services being provided by SDDA to the grain checkoff boards, commissions, and councils include:

- Provide budgetary guidance for the annual submission of information necessary to comply with all state government budgeting requirements.
- Enter all budget related information into South Dakota’s standardized budget systems and forms.
- Provide direct accounting and submission of year-end financial reports necessary to comply with BFM and Legislative Audit requirements for completing the Comprehensive Annual Financial Report (CAFR).
- Provide direct technical IT and general administrative support to all grain buyers submitting quarterly grain checkoff payments.
- Complete all accounting, revenue deposits, and revenue distribution processing on all checkoff payments.

These services are provided through multiple department employees including the SDDA finance officer, the SDDA accounting manager, SDDA central finance office staff, and other administrative support staff from within SDDA’s Office of the Secretary.

### **Summary**

Any further implementation of the analysis outlined in the JCA’s Letter of Intent to SDDA will need to parallel statutory changes specifically authorizing the SDDA to bill for services being provided.