

Cooperating Associations and Volunteers in Parks Programs

Typical Models of Roles and Relationships

The following models are intended to illustrate common relationships between cooperating associations, volunteers and California State Parks. These examples are NOT meant to be policy or to impose mandated structures that all districts must follow. They are meant to illustrate commonly accepted relationships. The district's participation in any of the following models may vary depending on local conditions, the adequacy of the association's financial records, and their loss control program. The association's participation may vary depending on local conditions and its relationship with the district.

A. Visitor Center with Information and Sales Counter

- DPR and cooperating association management agree that the visitor center is a priority partnership effort. To further this mutual cause, DPR staff (paid and volunteer) operates the center and the cooperating association provides financial support. A non-binding guideline is developed outlining roles and relationships and is signed by both parties.
- DPR and cooperating association management develop sound internal loss controls.
- DPR volunteer staffs visitor center counter.
- A donation box is located in the visitor center. Donation income goes to the association.
- DPR volunteers sell publications purchased by the cooperating association.
- DPR volunteers close out at end of the shift and put money in a drop safe for pick up and deposit by cooperating association representative.
- Money is accounted for and deposited by the cooperating association representative into the association's bank account.
- Cooperating association buys and orders publications and maintains inventory control.
- Cooperating association funds many of the displays/exhibits in visitor center with the "returns" from publication sales, donations, and other fund-raising activities.
- DPR and cooperating association representatives meet on a regular basis and decide upon funding priorities.

B. Interpretive Special Event (for example a 2-day event)

- Cooperating association and DPR management meet and agree to put on the special event pursuant to CCR 4301 (j). The cooperating association agrees to fund various parts of it. A Special Event Permit (DPR 246) is developed outlining roles and relationships and is signed by both parties.
- A committee consisting of DPR paid staff, volunteers and cooperating association board members plans the event.
- DPR provides the event location and provides specific services - garbage, traffic control, restrooms etc.
- DPR and cooperating association management develop sound internal loss controls.
- Cooperating association funds and staffs entertainment, food, beverage and other booths, and publicity.
- DPR volunteers staff booths, sell products and provide services at the event.
- Money generated through the event is accounted for by the association and deposited by the cooperating association into the cooperating association's account for use at the park.
- Park Day Use fees collected at the kiosk by DPR park aids or volunteers are retained by DPR.

C. Interpretive Hike

- Cooperating association and DPR management agree to have DPR conduct the hikes with financial support from the cooperating association. A non-binding guideline is developed outlining roles and relationships and is signed by both parties.
- DPR paid staff or volunteer leads hike through a state park.
- Cooperating association publicizes hike, provides money for DPR to purchase interpretive aids.
- DPR volunteer interpreters are directed and scheduled by a State Park Interpretive Specialist (seasonal) or ranger or other DPR paid employee.
- The DPR employee's salary may be entirely or partially funded by the cooperating association through a contingent fund. DPR may fund the other part of the employee's salary.

D. Docent Program

- Cooperating association and DPR management agree to support a docent program. A non-binding guideline is developed outlining roles and relationships and is signed by both parties.
- DPR conducts the program.
- Cooperating association funds specific program components.
- DPR provides a staff person for program coordination.
- DPR covers volunteer docents for workers' compensation.
- Cooperating association board promotes program in the community.
- Cooperating association members and/or officers, signed up as DPR volunteers, train docent trainees along with DPR staff and outside consultants.

II. Working Definitions

501 c 3: A public-benefit, nonprofit, charitable corporation formally recognized by the federal and state government.

cooperating association: A 501 c 3 under contract to California State Parks. Cooperating associations were first authorized in 1972 per Public Resources Code section 513.

board member – A policy making officer within a 501 c 3. Board members make up the board of directors which is the primary policy making body of the 501 c 3.

member – A person or entity who has freely chosen to join a 501 c 3. Members may or may not volunteer to do work for the 501 c 3 under the direction of the board of directors.

cooperating association liaison (CAL): A California State Parks employee who represents the department to the cooperating association. CALs are District Superintendents or their designees. (Cooperating Associations Program Manual 3/92).

foundation: A type of 501 c 3, normally associated with major philanthropic efforts.

interpretation: The act of translating the technical language of natural or cultural science into terms, ideas, and concepts that visitors can understand and appreciate. Interpretation begins in entertainment and ends in wisdom.

sponsor is the entity promoting and taking responsibility for an action. In the case of a co-sponsor, sponsorship would be a joint function (Donor & Sponsorship Recognition Guidelines, California State Parks, 1997)

support is furnishing funds, materials, or influence; to help something continue. Cooperating associations supporting a DPR program are not directly responsible for it. “Support” involves a narrow range of partnership with little management responsibility for a program or action (for example, financial support).

volunteer: A person, who without compensation and under the direction of state parks personnel, contributes time and service to assist California State Parks in accomplishing its mission through the Volunteer in Parks Program.

volunteer coordinator: A paid departmental employee, designated by the District Superintendent to plan, direct and oversee the district-wide volunteer program, compile the annual district volunteer activity report and apprise the superintendent of all volunteer program activities and issues.

Partnerships and Internal Controls

The department encourages partnership efforts when sound internal controls are present. When internal controls are lax or non-existent, opportunities to prevent or detect losses are minimized. When internal controls are weak, policies prevent DPR staff (paid or volunteer) from handling association or DPR money and assets. This can result in restricted assistance and/or limited operations involving the cooperating associations at the discretion of the Superintendent. Department staff handling association assets must use the same (or a greater) level of care for those assets as they would with state property. Association assets cannot be viewed as less important or as a “discretionary fund.”

Nonprofit and state park employees often process substantial sums of money, yet they may have poor controls over the handling of these funds. Controlling losses of an organization’s assets due to embezzlement, fraud, or theft is very important. The following sections summarize some common cash handling, bookkeeping, and auditing steps which significantly reduce or prevent internal losses.

A. Cash Handling

Who is responsible for ensuring the adequacy of cash handling internal controls?

As with all district operations, the District Superintendent has responsibility and authority for all operations, including cash handling, in the units of their district. As such, elements of this responsibility and authority are normally delegated to the Chief Ranger, Sector Supervisors, and Unit Rangers. All department staff have some responsibility and authority for implementing and ensuring adequate internal controls for state park system cash handling operations. This responsibility varies between units and the employees involved in cash handling. Upon request, the DPR Audits Office can provide specialized assistance to districts when needed.

- Thoroughly screen cash handlers, making sure to check the references of all previous employers. Be certain they are competent and trustworthy.
- Encourage and enable customers to obtain receipts and observe cash register sales.
- Immediately endorse checks “*Pay to the order of _____ FOR DEPOSIT ONLY.*”
- Establish strict money-handling procedures and see that they are followed. Limit access to cash, change safe combinations regularly, make timely deposits, and document procedures.
- Record cash receipts immediately – use a cash register.
- Do not permit any employee to handle a transaction from beginning to end. Separate the financial duties of employees. Separation reduces opportunities to commit and conceal fraud. Those handling money should not be responsible for keeping records of the money. Employees reconciling bank statements should not be those writing checks or making deposits.

- Make sure the financial duties are separated, particularly in the use of computers. More than one person should know your computer system. It is also advisable to change a person's duties periodically.
- Establish procedures that call for a check-off by two or more employees. In this way, it would take more than one dishonest employee to perpetrate a theft. Example: One person sells tickets, and another person takes them; or two people check and initial register receipts against cash and sales slips.
- Centralize receiving of cash. Provide this and other security measures at fund-raising activities and special events.
- Deposit each days receipts intact.
- Periodic spot checks of cash handling procedures should be conducted.

DPR Safes

1. Many association documents (articles of incorporation, bylaws, designation letter, IRS tax-exempt forms, etc.) must be accessible for inspection. Bank safety deposit boxes or association-owned safes are recommended.
2. Adequate security is essential. Park safes are not to be used without the CAL's approval, and then only if the association documents and/or funds are in a separate and locked container.
3. A document signed by the CAL grants permission and designate association or park personnel access to the safe. All attempts should be made to limit access to only those with absolute need. Special keys, limited distribution of combinations, sign-in/sign-out logs, and similar precautions can reduce potential problems.

B. Bookkeeping & Inventory

Who is responsible for ensuring the adequacy of bookkeeping internal controls?

The primary responsibility for these controls rests with the board of directors. As such, elements of this responsibility and authority are often delegated to the treasurer, bookkeeper, other board members, and association staff. The CAL provides oversight and advice at monthly/quarterly board meetings and formally reviews and approves the annual reports prior to submission to the Cooperating Associations Program Manager. The Program Manager reviews the reports for completeness and compiles the individual association reports into a comprehensive statewide report.

- All expenditures and payroll should be paid by check so that a permanent record is always available.
- The board should approve major expenditures.
- Elect treasurers annually. The treasurer works with association and park staff to ensure that monthly bank statements are reconciled with deposits and that deposits are reconciled with daily cash register sales. The treasurer presents all monthly reconciliation reports to the board for approval.

- Take inventories of equipment and supplies at regular intervals. This helps prevent large losses over time. A person other than the employee who handles procurement should make the inventories.
- Checks should be co-signed by the treasurer and another board member with no material interest in the transaction.
- Checks should be pre-numbered and all checks should be accounted for.
- Keep duplicates of records. For example, a copy of each deposit slip should go to the employee reconciling the bank statements as well as to the bank. In this way, the employee will know what went out of the office and what was deposited at the bank. This will prevent messengers or others from altering deposit slips.
- Minimize petty cash expenditures. Vouchers and receipts should account for all petty cash expenditures (greater than a minimum amount). Replenish the petty cash fund via a check from the treasurer not the cash drawer.

C. Auditing

Who is responsible for ensuring that financial operations are audited?

Responsibility and accountability for the association's finances rests with the Board of Directors. As such, elements of this responsibility and authority are often distributed between the Treasurer, other board officers, and a bookkeeper. Occasionally an independent CPA is hired to prepare annual financial statements. These financial statements can be an inexpensive, unaudited, year-end compilation or a comprehensive audited financial statement review costing thousands of dollars. The CAL assists the association to correct audit findings and review annual reports. If necessary, the CAL may request some specialized assistance from the Audits Office.

- Provide for bi-annual outside audits of financial statements and internal controls.
- Analyze financial statements.
- Compare financial data on a regular basis (month-to-month, quarter-to-quarter, year-to-year).
- Examine profit ratios and analyze expenses.

D. What are auditors are looking for?

Auditors are generally looking for a good system of internal controls (Refer to SAM 20003 for specific details). These include:

1. Financial statements and reports are complete and submitted in a *timely* manner.
 - The reports are *examined* by the Cooperating Association Liaison.
 - Irregular or inconsistent information in the report is *identified and resolved* to the satisfaction of the Cooperating Association Liaison and the cooperating association.

- Annual reports are submitted to the Cooperating Associations Program Manager.
2. Department approvals for the sale of educational and interpretive materials are well documented, with copies available through the district and the cooperating association.
 3. Department approvals for association-sponsored interpretive and educational events and programs (if any) are documented, with copies available through the district and the cooperating association.
 4. Adequate controls and documentation over revenues and expenditures are in place to minimize the risk of loss due to theft and embezzlement.

Remember, the keys to controlling internal losses are to:

⇒Maintain alertness and efficient internal controls.⇐
⇒Spell out all procedures and see that compliance is enforced.⇐

Partnership efforts are not supported when internal controls are ignored. Auditors and internal affairs investigators become very concerned when association or state money and assets are handled with lax attitudes and little internal control. Weaknesses identified in a loss control program can compel a District Superintendent to provide only limited assistance and participation until the deficiency is corrected. The Superintendent has the authority and responsibility to modify the operational arrangements with any cooperating association to protect the state's interest.

Adapted from Risk Management Guide for Nonprofits - 1987, pages 49 & 50.
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Summary of Legal Authorities

The Cooperating Associations and Volunteers in Parks Programs are based on state and federal authorizing legislation. Some of these legal authorities include:

PRC 5003, the department *shall administer, protect, develop and interpret* the property under its jurisdiction; (1939)¹

PRC 513, authorizes the department to enter into cooperative agreements with nonprofit associations *whereby the association would furnish educational or interpretive materials* for sale and the department to *provide the services of department personnel and space for the materials sales at state park system unit visitor information facilities. all moneys received from the sale of publications or other materials provided by the association shall be returned to the association for use in the interpretive programs of the unit(s) the association is serving.* (1972)

Government Code 3118 requires that state volunteers comply with state and department policies and regulations. (1978)

Government Code 3119 requires state departments using volunteers to:

1. *Provide sufficient staff for effective management and development of volunteer programs*
2. *Develop written rules governing job descriptions, recruitment, screening, training, ...and insurance of volunteers*
3. *Take such actions as are necessary to insure that volunteers understand their duties and responsibilities.* (1978)

PRC 5009.1-3 authorizes the department to receive donations *for the cleanup, repair, or enhancement of any designated state park system unit or facility.* Subsection 3 authorizes the department to develop agreements for *securing donations, memberships, corporate and individual sponsorships, and marketing and licensing agreements.* (1995)

DPR policy regarding park operations and the Cooperating Associations and Volunteers in Parks Programs are based on these and other laws as well as policies from other agencies (Internal Revenue Service, CA Franchise Tax Board, CA Attorney General's Registry of Charitable Trusts, Department of General Services, Department of Personnel Administration, and others).

¹ Italicized text represents direct quote from indicated statutes