

BRAND BOARD



South Dakota Legislative Research Council

Frequently Asked Questions

The purpose of this FAQ sheet is to provide information to the Joint Committee on Appropriations regarding Informational Budgets in the South Dakota budgetary system. The information was compiled by the Legislative Research Council with assistance from the Department of Legislative Audit and the Government Operations and Audit Committee.

When and why was this fund created?

The Brand Board and the Brand Fund were created by the 1937 Legislature for the purpose of administering livestock brand registrations. The 1943 Legislature created the Livestock Ownership Inspection and Theft Prevention Fund for livestock ownership inspection and theft prevention programs. The Brand Board is attached to the Department of Agriculture for reporting purposes. (SDCL 40-18 thru 40-21)

Where does the revenue come from?

Revenue for the Brand Fund comes from user fees generated from livestock brand registration, renewals, and transfers. Revenue for the Livestock Ownership Inspection and Theft Prevention Fund comes from inspection fees.

Brand Fees:

Brand Registration- \$25.00 – plus \$10.00 for each year remaining in the current brand renewal period.

Brand Renewal- \$50.00 – Occurs every five years for years ending in a 0 or 5 (such as 2005, 2010, and 2015). All brands are subject to renewal during January 2 through May 1 of the renewal year.

Brand Transfer- \$25.00 – for any modification of the brand ownership as currently recorded.

Duplicate Certificate Fee- \$2.00 for each duplicate of a brand registration certificate.

Inspection Fees:

Livestock Brand Inspection- \$0.80 per head

Lifetime Horse Transportation Permit- \$10.00 per head

Annual Horse Transportation Permit- \$3.00 per head

What spending restrictions exist on the fund?

All expenses for salary of employees, per diem, and traveling expenses of members of the board, books, records, files, and office equipment necessary for the maintenance of a permanent system of brand registration, rerecording, and renewals, and the execution and enforcement of brand registration, inspection, and theft protection laws, shall be allowed upon vouchers approved by the board and warrants issued by the state auditor, and paid out of the brand fund by the state treasurer. The expenses referred to in this section include the expense of printing brand books and supplements sold for a price to be fixed by the board at not less than cost. The receipts from sales shall be paid to the state treasurer and shall be deposited in the brand fund. (40-19-23) Money in the Brand Fund may not revert to the general fund of the state or be diverted to any other purpose. (40-19-22)

All money in the Livestock Ownership Inspection and Theft Prevention Fund is used by the Brand Board for the administration and enforcement of livestock ownership, brand inspection, and theft prevention. (40-21-9)

Has the original purpose of the board or fund changed?

The original purpose of the Brand Board was to administer livestock brand registrations. In 1943, the Legislature created the South Dakota livestock ownership inspection area which now consists of all counties west of the Missouri River. The Legislature also allowed the board to enter into a contract with a nonprofit corporation to carry out livestock ownership inspections. The nonprofit corporation is required to prepare a monthly report of fees collected and expenses prorated for the ownership inspection program. A copy of the report is filed monthly with the Brand Board, the Secretary of Agriculture, and the Auditor General. Currently, the Brand Board authorizes the South Dakota Stockgrower's Association to inspect cattle, horses, or mules for ownership within the livestock ownership inspection area and at designated open markets outside the ownership inspection area.

Is the fund on the state accounting system? What is the timing of the Fiscal Year?

The funds are on the state accounting system. The fiscal year runs the same as the State Fiscal Year which is from July 1 to June 30.

What oversight exists?

The South Dakota Department of Legislative Audit has audited the financial statements of the South Dakota Brand Board as of June 30, 2006. The Brand Board has recently been reviewed by the Government Operations & Audit Committee during the 2007 interim. The board is also reviewed annually by the Joint Appropriation's Committee during the budget hearing process for the Department of Agriculture.

2007 Government Operations and Audit Committee "Blue Book"

Prepared by the Department of Legislative Audit

Other Fund Information

Department of Agriculture
State Accounting System - Other Fund Balances
Company 3057 - Brand Fund

	FY2004	FY2005	FY2006	FY2007
1 Cash Pooled with State Treasurer	500,465.17	1,460,028.42	1,333,418.94	1,158,678.76
2 Total Assets	500,465.17	1,460,028.42	1,333,418.94	1,158,678.76
3				
4 Accounts Payable	-	-	-	-
5 Total Liabilities	-	-	-	-
6				
7 Reserve for Encumbrances	-	-	-	-
8 Unreserved Fund Balance	500,465.17	1,460,028.42	1,333,418.94	1,158,678.76
9 Total Fund Equity	500,465.17	1,460,028.42	1,333,418.94	1,158,678.76
10 Total Liabilities and Fund Equity	500,465.17	1,460,028.42	1,333,418.94	1,158,678.76
11				
12				
13 Licenses, Permits and Fees	31,622.12	1,213,506.56	140,602.00	71,567.00
14 Use of Money and Property	42,188.94	23,054.27	22,144.15	42,282.47
15 Sales and Services	1,729.95	924.00	13,658.00	4,354.00
16 Total Operating Revenue	75,541.01	1,237,484.83	176,404.15	118,203.47
17				
18 Personal Services and Benefits	216,298.11	194,516.50	190,056.83	203,887.56
19 Travel	8,030.13	11,404.73	17,137.84	16,690.79
20 Contractual Services	64,619.51	48,800.42	55,206.37	59,645.70
21 Supplies and Materials	8,147.45	19,653.34	33,864.11	7,282.69
22 Grants and Subsidies	1,500.00	1,000.00	1,000.00	1,500.00
23 Capital Outlay	7,932.97	2,455.61	5,291.61	3,162.48
24 Other Expense	89.85	90.98	456.87	774.43
25 Total Operating Expenditures/Expenses	306,618.02	277,921.58	303,013.63	292,943.65
26				
27 Transfers In	-	160.12	1,460,028.42	89.29
28 Transfers Out	-	(160.12)	(1,460,028.42)	(89.29)
29 Net Transfers In (Out)	-	-	-	-
30				
31 Net Change	(231,077.01)	959,563.25	(126,609.48)	(174,740.18)
32				
33 Beginning Fund Equity	731,542.18	500,465.17	1,460,028.42	1,333,418.94
34 Ending Equity	500,465.17	1,460,028.42	1,333,418.94	1,158,678.76

Company: 3057**Company Name:** Brand Board Funds**Fund Name:** Brand Fund**Fund Type:** Enterprise**Purpose:** SDCL 40-19-22 created the Brand Fund. Source: Monies derived from the collection of fees for brand applications, transfers and renewals. Use: Administration of the brand board.**Budget Information:** Included in the General Appropriations Bill as an informational budget.

2007 Government Operations and Audit Committee "Blue Book"

Prepared by the Department of Legislative Audit

Other Fund Information

Department of Agriculture**State Accounting System - Other Fund Balances****Company 3057 - Livestock Ownership Inspection and Theft Prevention Fund**

	FY2004	FY2005	FY2006	FY2007
1 Cash Pooled with State Treasurer	93,114.24	107,688.43	112,051.40	112,569.99
2 Total Assets	93,114.24	107,688.43	112,051.40	112,569.99
3				
4 Accounts Payable	-	-	-	-
5 Total Liabilities	-	-	-	-
6				
7 Reserve for Encumbrances	-	-	-	-
8 Unreserved Fund Balance	93,114.24	107,688.43	112,051.40	112,569.99
9 Total Fund Equity	93,114.24	107,688.43	112,051.40	112,569.99
10 Total Liabilities and Fund Equity	93,114.24	107,688.43	112,051.40	112,569.99
11				
12				
13 Licenses, Permits and Fees	46,166.89	21,346.02	4,362.97	518.59
14 Other Revenue	-	30.00	-	-
15 Total Operating Revenue	46,166.89	21,376.02	4,362.97	518.59
16				
17 Personal Services and Benefits	-	-	-	-
18 Travel	572.14	81.21	-	-
19 Contractual Services	19,875.57	5,763.95	-	-
20 Supplies and Materials	150.00	-	-	-
21 Grants and Subsidies	-	-	-	-
22 Capital Outlay	1,014.75	956.67	-	-
23 Total Operating Expenditures/Expenses	21,612.46	6,801.83	-	-
24				
25 Transfers In	-	-	107,688.43	-
26 Transfers Out	-	-	(107,688.43)	-
27 Net Transfers In (Out)	-	-	-	-
28				
29 Net Change	24,554.43	14,574.19	4,362.97	518.59
30				
31 Beginning Fund Equity	68,559.81	93,114.24	107,688.43	112,051.40
32 Ending Equity	93,114.24	107,688.43	112,051.40	112,569.99

Company: 3057**Company Name:** Brand Board**Fund Name:** Livestock Ownership Inspection and Theft Prevention Fund**Fund Type:** Enterprise**Purpose:** SDCL 40-21-9 created the Livestock Ownership Inspection and Theft Prevention Fund. Source: Inspection fees. Use: Operation of ownership inspection program.**Budget Information:** There have been no disbursements from this fund requiring an appropriation.

Condition Statement Prepared by the Department of Agriculture on 10/5/07 (Does not include Livestock Ownership and Theft Prevention Fund)

**Department of Agriculture
Brand Fund
Condition Statement (3057-03451-INFO)**

	ACTUAL FY2006	ACTUAL FY2007	BUDGETED FY2008
TOTAL RECEIPTS	\$176,404	\$118,203	\$147,304
TOTAL DISBURSEMENTS	\$302,924	\$293,033	\$450,112
NET (Receipts less Disbursements)	(\$126,520)	(\$174,830)	(\$302,808)
BEGINNING CASH BALANCE	\$1,460,028	\$1,333,508	\$1,158,679
ENDING BALANCE	\$1,333,508	\$1,158,678	\$855,871