



## 4-H Club Financial Guidelines For Chartered 4-H Clubs and Other Groups Authorized To Use The 4-H Name and Emblem in Harrison County.

The West Virginia 4-H Youth Development program is part of the West Virginia Extension Service, which is part of West Virginia University. Because of this relationship, all financial transactions of local 4-H clubs, county councils, committees, boards, and other related organizations (county leaders' council/association, camp board, livestock sale committee, etc.) must be managed according to the guidelines outlined in this paper.

Under U.S. Department of Agriculture and West Virginia University guidelines, each County Extension Office is required to keep track of all financial transactions made by clubs and groups authorized to use the 4-H name and emblem. Each authorized club/group must submit annual financial records showing the source of all income and how it is disbursed. This includes a yearly club budget, monthly bank statements and a summary of activity for the past 4-H year.

The required annual report:

- Creates an open, public record for each nonprofit group.
- Fulfills the audit concerns of West Virginia University.

• Shows how West Virginia Extension-related organizations help the University fulfill its obligation of accountability to the residents of West Virginia.

The following guidelines will help your 4-H club/group fulfill its responsibilities for handling funds:

**1. Bank Account:** All monies should be placed in a bank account in the name of the club/group. As nonprofit organizations, 4-H clubs/groups are normally not charged a service fee. There may be, however, a charge for printing the club/group name on checks.

**2. Bank Statements:** It is required that all bank statements be sent from the bank directly to the Harrison County WVU Extension Service Office to allow for necessary oversight. All bank statements will be opened, reviewed, photocopied and the original statement sent to the organizational 4-H club leader within 24-48 hours of receipt of the statement. All bank statements received from the bank must be reconciled by the Treasurer on a timely basis.

**3. Employer Identification Number (EIN):** Every 4-H club/group must have an Employer Identification Number (EIN) to open a checking or savings account. To apply for an EIN from the Internal Revenue Service (IRS), use form SS-4.

**4. Financial Signatures:** Each club/group is required to have two (2) names on all checking and savings accounts. It is ideal for all Chartered 4-H clubs to have the youth treasurer and a Harrison County 4-H Volunteer on accounts. The 4-H volunteer should not be the parent, or relative of the treasurer. If the parent of the Treasurer is the Organizational Leader, an additional adult leader's name must be added to the account during the time period this situation exists. Although banks may only require one signature on all checks, the club must have both signatures on all checks. No West Virginia University faculty or staff member's signature may appear on any account belonging to a 4-H club/group authorized to use the 4-H name and emblem.

**5. West Virginia 4-H Club Treasurer's Record Book:** The club/group treasurer must use the West Virginia 4-H Club Treasurer's Guidebook to show sources and amounts of money received and payments made to whom and for what purpose. Treasurer's records become a permanent part of the club records.

**6. Yearly Budget:** Clubs/groups are required to prepare an annual budget. This is a written plan to raising and spending money for one (1) year. Since the members of the club/group approve the budget, it will not be necessary to seek approval for payment of items included in the budget. If the club/group does not have a budget, or items arise that are not a part of the budget, each item must be presented to members for approval before payment is made. An annual budget accomplishes two things. First, all expenditures of club funds are made with full approval of the club/group. Second, it is a great way for members to learn how money flows in and out of an organization.

**7. Receipts:** All income should be acknowledged with a written receipt, preferably prenumbered. The receipt should include the source of the funds (such as carwash or plant sale), the date, and if possible, the name of the person making the payment. These receipts are the back-up documentation for bank deposits. The receipts become a permanent part of the club/group records.

**8. Payments:** Payments should be made only in response to a written bill or sales receipt. The itemized receipts clearly stating what was billed, with the check number and the date of the check on it, will also become a permanent part of the treasurer's records.

**9. Fund Raising:** 4-H members do not pay state or national membership dues. Local and county clubs/groups may raise money for their goals through fund-raising or dues or both. Fund-raising must be done for the good of the total group and be consistent with the county/state fund-raising policies. 4-H Clubs should notify the Harrison County WVU Extension Service of all planned and upcoming fundraising activities.

**10.** Use of Fund Raising Money: All monies raised using the 4-H name must be used only for 4-H activities. Because these funds are publicly accountable, they may not be given to individual club members or others, but must be used to pay for educational programs, activities, workshops, or supplies. Fund-raising should not be the main focus of group activities nor exclude any individual from participating. Clubs are expected to support the financial needs of the total group and, when possible, assist with participant costs in county, state, national, and international programs. Recommended fund-raisers for youth groups include car washes; bake, cookie, citrus fruit, plant, candy, and yard sales; pancake suppers; spaghetti dinners; auctions; and flea markets.

**11. Cash Donations:** Cash donations must be acknowledged in writing to the donor and must include the amount of the contribution. A copy of the acknowledgment must be kept with the treasurer's records.

**12.** Non-Cash Donations: *Non-cash donations* (consumable donations of supplies or miscellaneous items) should also be acknowledged in writing to the donor. A description of the item(s) must be included in the acknowledgment. Valuation of non-cash donations is the responsibility of the donor, in consultation with his/her tax advisor and individuals qualified to appraise an item of this type. It is not appropriate for a 4-H club/group, faculty/staff member, or West Virginia University Extension Service 4-H volunteer to place a value on items donated. Donors cannot specify the individual recipient of cash or non-cash donations. A copy of the acknowledgment must be kept with the treasurer's records.

*Non-consumable donations* such as equipment or animals should be accepted only if the club/group is prepared to accept the responsibilities of ownership including care, maintenance, and insurance. Clubs should not feel compelled to accept non-cash gifts. Contact the 4-H faculty/staff member whenever there are questions about accepting and/or managing donations.

**13. Quid Pro Quo Contributions:** Quid pro quo contributions, "payment made partly as a contribution and partly for goods or services provided to the donor by the charity," should also be acknowledged in writing. An example of a quid pro quo contribution is where the donor gives \$100 for a cake valued at \$12. The disclosure statement must inform the donor that the "amount of the contribution that is deductible for federal income tax purposes is limited to the excess of any money (and the value of any property other than money) contributed by the donor over the value of goods or services provided by the charity," and provide the donor with a good faith estimate of the value of goods or services that the donor received.

**14. County Review:** A financial report for each 4-H club/group authorized to use the 4-H name and emblem must be turned in to the county Extension office by December 1<sup>st</sup> each year for review. The financial report will represent information for the 4-H year of October 1<sup>st</sup> through September 30<sup>th</sup>. The county 4-H Youth Development Extension Agent, 4-H & Youth Development Program Coordinator or other identified individual(s) not affiliated with the club will conduct the financial review. These reviews become a permanent part of the county record maintained for each club/group.

Copies of bank statements and the West Virginia 4-H Club Treasurer's Guidebook will be kept on file in the Harrison County WVU Extension Service Office. Additional information, including receipts, canceled checks, checkbooks and savings account books may also be requested for review. These items will be returned following the review and should remain with the permanent club/group records.

**15. Club/Group Disbandment:** Monies left in account(s) when a club/group disbands, ceases operation, or loses its charter must be turned over to the West Virginia University Extension Office. These monies may be used for county 4-H programs and activities. All property belonging to the club/group must be turned in to the West Virginia University Extension Office

**16. Complaints:** The West Virginia University Extension Service 4-H & Youth Development Extension Agent and/or Program Assistant will investigate all complaints regarding use of funds. Concerns can be avoided and/or settled quickly if all financial records are kept up to-date and the guidelines outlined here have been followed.

Programs and activities offered by the West Virginia University Extension Service are available to all persons without regard to race, color, sex, disability, religion, age, veteran status, political beliefs, sexual orientation, national origin, and marital or family status. Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Director, Cooperative Extension Service, West Virginia University. West Virginia University is governed by the West Virginia Higher Education Policy Commission and the WVU Board of Governors. James Clements, WVU President.