



Clubs and groups associated with the West Virginia Extension Service are supported in many ways throughout the state - from the countless hours given annually by volunteers to the countless dollars provided to members and participants through, fund raisers, donations and, many other giving opportunities.

As an organization that receives financial support from various entities, it is our responsibility to ensure that the management of financial funds is handled in the most transparent manner. This responsibility belongs to WVU Extension, County Offices, Extension faculty and staff, volunteers, club/group officers, members, and participants. The West Virginia University Extension Service Financial Management Rules & Guidelines for Clubs and Groups provides rules, guidance, and best practices to follow when it comes to the management, accountability, and reporting of funds related to clubs and groups.

The management of funds should be of the utmost priority for the leadership of these clubs and groups. To help West Virginia University Extension Service Clubs/Groups manage their funds please refer to this document called "The West Virginia University Extension Service Financial Management Rules & Guidelines for Clubs and Groups." This publication is the official rules and guidelines for managing funds within the West Virginia Extension Service and can be downloaded at: website

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*Adopted by the West Virginia University Extension Service 4-H Youth Development Program– August 2021
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Cooperative Extension Service
WVU is an EEO/Affirmative Action Institution – Minority/Female/Disability/Veteran

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.

In accordance with Federal law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, disability, and reprisal or retaliation for prior civil rights activity. (Not all prohibited bases apply to all programs).

Reasonable accommodations will be made to provide this content in alternate formats upon request. Contact the WVU Extension Service Office of Communications at 304-293-4222.

SECTION 1: GENERAL RULES FOR CLUBS/GROUPS AND PROCEDURES FOR HANDLING FUNDS

Section 1.1: It is the responsibility of the West Virginia University Extension Service to ensure that all Extension related clubs and groups are in good standing and follow appropriate best practices related to funds. These responsibilities include:

- A. Keep appropriate financial records of all WVU Extension county or state clubs/groups.
- B. Work with counties and state groups to ensure appropriate chartering documentation, or memorandums of understanding, are in place to ensure they are in good standing with the West Virginia University Extension Service.
- C. Review each club/group's activities to determine that it continues to meet the objectives for which it was established.
- D. Provide appropriate confirmation or notice that authorize the club/group or leader(s) to carry out programs and activities that are associated with the WVU Extension Service.

Section 1.2: West Virginia University Extension clubs/groups are organized and operated exclusively for charitable, educational and/or scientific purposes.

- A. All clubs/groups shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.
- B. No substantial part of any West Virginia University Extension club/group activities shall be for the purpose of attempting to influence legislation, and no club/group shall participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Section 1.3: The responsibilities of the individual club/group include maintaining a record of its activities, contributions received/expended/distributed, and preparing and keeping on file a record of financial transactions.

Section 1.4: Funds raised or given in support of WVU Extension Service programs must be handled in a high standard of care which is fiscally and socially responsible.

Section 1.5: Those responsible for handling funds must do so in an open, responsible, and trustworthy manner. Administrators, faculty, staff, club/group leaders and treasurers must be able to carry out their responsibilities as defined in the rules and guidelines and/or club/group bylaws for handling finances and assets.

Section 1.6: There are to be **ZERO PERSONAL TRANSACTIONS** on a WVU Extension Service club/group account. If this occurs, the County Extension Agent, or advisor for a state group needs to be notified immediately.

Section 1.7: All clubs are responsible for maintaining their tax-exempt status with the IRS. A Form 990 must be filed with the IRS on an annual basis. For those clubs with a July 1st to June 30th fiscal year, the filing deadline is November 15th. Clubs are encouraged to file electronically using the IRS e-Postcard system. Those who are unable to file using the e-Postcard system must file a paper form. Failure to file for three consecutive years could result in the loss of tax-exempt status.

SECTION 2: MANAGEMENT OF CLUB/GROUP BANK ACCOUNTS

Section 2.1: Establishment of Club/Group Bank Accounts

- A. The name “Extension” or “West Virginia University Extension Service” should never be listed as owner of the fund account. The name on the account should be specific to the county and/or club/group. Examples are the “Smith County 4-H Leaders”, “Helping Hands CEOS”, “Martin County Master Gardeners”.
- B. All bank accounts and/or securities held by clubs/groups should be associated with an Employer Identification Number (EIN) secured by the specific group or organization.
 - a. Use form SS-4 from the IRS to obtain an EIN.
 - b. Agents, leaders, parents or members **SHOULD NEVER** use their social security number on a WVU Extension Service Account. Those funds will be reported to the IRS under that individual’s name.
- C. Account Signatures
 - a. A club/group account needs to have a minimum of three (3) signatories associated with the account.
 - b. Preferably: A club/group leader and the treasurer would comprise two of those signatures. If a bank will not allow a minor to be on the signature card (4-H), additional **vettted volunteers** for that club/group should serve as signatories.
 - i. Signatories should **NOT** be related to each other in any way. This includes father, mother, son, daughter, brother, sister, uncle, aunt, cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.
 - ii. Two signatures need to be on each check written from the account.
- D. Changes on Account Signatures
 - a. Notify the bank immediately in writing of any changes in check signers or persons authorized to withdraw funds from the account. Follow the process outlined by the bank to officially make any changes or updates.
- E. A club/group should only have one bank checking/savings account. Within that account, the club/group may need to establish in their accounting system sub-accounts for events and/or activities. An exception to this would be any club or group who also holds a demand or endowment fund at the WVU Foundation.

Section 2.2: Receiving Funds

- A. Record cash receipts immediately upon receipt and deposit on a daily basis.
- B. Prepare a list of all remittances received and make comparisons of this list with subsequent bank deposits.
- C. Safe combinations and keys to cash boxes or files should be restricted to a minimum number of persons.
- D. The person who collects funds and the person who writes checks should not be the same. For example, a county secretary can collect entry fees and then give the money to the treasurer for deposit. Preparing a list of all remittances received in the mail and comparing this list with subsequent bank deposits should be a routine function of the club/group treasurer and/or financial committee.
- E. Detailed records (original invoices and receipts) should be kept on money collected (date collected, from whom, amount collected, purpose).

Section 2.3: Requesting Funds

- A. A check request form should be used when requesting funds and kept with account records. A sample check request form is included on page 10.

- B. All payments should be made by serially numbered checks. All receipts, checks, orders, etc. should have a pre-numbered sequence which can be accounted for later. Maintain duplicate copies of receipts given to individuals who turn over cash.
- C. No checks are made payable to cash.
- D. Account signers should not write a check to themselves. Any check written to an account signer should be signed by two other individuals. It should also have adequate documentation to support the payment.
- E. All supporting documents are stamped or adequately marked to prevent their reuse.

Section 2.4: Reimbursements

- A. Reimbursement claims should be supported by cash register tapes or paid invoices that clearly state the purpose of purchase and from whom the purchase was made.

Section 2.5: Reconciliation of Accounts

- A. Bank accounts should be reconciled monthly and any adjustments recorded in the records immediately.
- B. Reconciling items should be handled in the month they are discovered.
- C. The person who makes any deposits, approves payments, and/or writes checks should not be the one who reconciles the bank statement. Bank statements should be delivered unopened directly to the reconciler.

SECTION 3: RETENTION OF FINANCIAL RECORDS

Section 3.1: Clubs/Groups are to retain records based on the West Virginia University Record Retention Policy and Schedule. This document can be found at the following website: <https://generalcounsel.wvu.edu/record-retention-policy-schedule>

Section 3.2: This schedule notes that documents related to programs that are focused on community outreach (e.g., 4-H Youth Development, CEOS); have a three year retention period with official copies maintained at the state or local level with secure destruction being the method of disposition.

Section 3.3: It is the responsibility of the Club/Group Leader(s) and the Treasurer to develop a plan for keeping track of purchases, receipts, and bank statements.

Section 3.4: Per WVU Extension Service requirement: financial records (annual review of financial accounts and most recent bank statement) should be maintained by local 4-H groups and the County Extension Office.

SECTION 4: ACCOUNTABILITY

Section 4.1: Checks should be issued to vendors only for payment of approved original invoices which have been submitted with a check request.

Section 4.2: Match the check with receiving documentation or other evidence that the goods or services are complete.

Section 4.3: Reimbursement claims should be supported by cash register tapes or paid invoices. If a receipt has been lost, a written statement, signed and dated by the employee/volunteer can suffice.

Section 4.4: If a prepayment is needed, an initialed statement can be used as support until the item is purchased. The subsequent invoice can be attached later.

Section 4.5: A computer software package with adequate built-in controls is recommended any time a bank account is involved. Commercial products like QUICKEN© or Quick Books are examples. These programs are easy to use and have an excellent support system by the manufacturer. These programs allow you to record and track transactions on accounts and create sub-accounts.

Section 4.6: All checks returned by the bank for insufficient funds should be dealt with immediately and a follow-up record maintained.

Section 4.7: No barter items should be used as payment of amounts owed to outside parties or employees. These transactions must be handled by check.

Section 4.8: All funds must be accountable to the club/group budget that has been presented and passed by the club/group membership. Amendments and/or overages to the club/group budget should be presented at regularly scheduled meetings for approval by membership.

Section 4.9: No part of the net earnings of any club/group shall be used for the personal benefit of, or be distributable to its members, trustees, officers, or other private person. Clubs/groups **SHOULD NEVER** use money from the club/group account or fundraisers to provide payouts to youth for participating in/working certain activities. Instead, the club/group can sponsor members to participate in other county/regional/state or national activities.

SECTION 5: CASH WITHDRAWALS

Section 5.1: If a club/group withdraws cash funds, the following **MUST** be done:

- A. Reason for withdrawal must be documented (i. e. cash for concession stand). If funds are taken out for a concession stand, there must be record of when money was deposited back into the account.
- B. Withdrawal must be made at the bank with a teller only and only by the club/group leader or treasurer. It is suggested that the club/group leader or treasurer have the bank teller sign or initial receipt to document persons involved in the transaction.
- C. If items are purchased with the cash a receipt must be submitted.
- D. NO checks should ever be written to "Cash."

Section 5.2: If petty cash is necessary, place it in the hands of a single custodian who is responsible for a set amount of money in the most secure place available. A written log should be maintained of disbursements and a copy should be stored elsewhere. If a theft occurs, a report should be made to authorities and the amount of loss determined by the log. In any case, only a minimal amount should be kept as cash on hand, as more acceptable alternatives exist. There should be a regular financial review of the cash funds.

SECTION 6: CLUB/GROUP DEBIT CARDS

Section 6.1: Due to the risk involved with the use of Debit Cards, the West Virginia University Extension Service recommends as a best practice that a club/group does not possess a debit card and continues to use checks for

the purpose of clear and transparent documentation. However, if a club/group chooses to not follow best practices and assume the risk and utilizes a debit card, the following guidelines must be adhered to:

- A. Each club/group may only have one (1) debit card in the club/group's name.
- B. All purchases must be charged towards the correct club/group when reconciling books.
- C. It is likely that the bank will require a PIN to be set up if the club/group is issued a debit card. If this is the case, the debit card should be used as a "credit card" (not requiring a PIN) when making a purchase. This will also require a signature or zip code to be entered for the purchase to be made.
- D. There are to be NO cash advances or withdrawals from the account with use of the debit card.
- E. If cash is needed for an event, it must be documented and submitted to the treasurer/finance committee. All withdrawals MUST be made at the bank with a teller ONLY. This can only be done by the club/group leader or treasurer (see section 5 .1. B).
- F. Original receipts must be kept for all purchases.
- G. Debit card should have the name of the club/group listed and not a particular person on it.
- H. The card must be checked out by anyone using the card. This should be documented through the use of a written log managed by the club/group treasurer/leader. All charges using the debit card should correspond to a check-out log entry.

Section 6.2: It is the responsibility of the club/group Leader(s) and the Treasurer to develop a plan for keeping track of purchases, receipts, and bank statements. This plan should be documented in writing and provided to the County Extension Office.

SECTION 7: ONLINE PAYMENT SYSTEMS (i.e. PayPal, Venmo, Square, Etc.)

Section 7.1: The use of online payment services is allowed for use by clubs and groups. However, the guidelines below will need to be followed to meet financial management guidelines.

- A. Each club/group may only have one (1) online payment service account. The club/group leader(s) and the treasurer should be the only people to have access to that account.
- B. Personal email accounts should not be utilized in association with these online payment systems. An email account specifically for the club/group needs to be created to be tied to the system. This email address will need to be provided on the financial review form that is submitted.
- C. If a club/group leader leaves their position, the account password will need to be changed and redistributed to club/group leader(s) and treasurer.
- D. If clubs/groups are receiving funds through an online payment service, it is important to provide a copy of the deposits to the treasurer to maintain with club/group financial records.
- E. These systems should ONLY be used in receiving funds and should not be utilized to make payments.
- F. Please note that online platforms have a variety of fees associated with them. You and your clientele will need to be aware of these fees and whose responsibility it is to pay them.

Section 7.2: It is the responsibility of the Club/Group Leader(s) and the Treasurer to develop a plan for keeping track of purchases, receipts, and any statements from the online payment service account. This plan should be documented in writing and provided to the County Extension Office for local groups, or the State Program Unit Office for state level clubs/groups.

SECTION 8: MONTHLY AND ANNUAL FINANCIAL REVIEW

Section 8.1: On a monthly basis the club/group should reconcile all bank accounts.

Section 8.2: If there is an issue discovered during the reconciliation, they must bring it to the county agent (for local groups) or state level Extension faculty contact (for state level groups) immediately.

Section 8.3: The club/group treasurer is to provide a monthly financial report, including all necessary documentation, at the club/group meeting for review and approval.

Section 8.4: County offices should receive an updated yearly club/group treasurer's report each year. This report should include all financial income, expenditures and record of who filed their annual 990 with the IRS.

Section 8.5: The club/group leader(s) and treasurer should have a plan for retaining the clubs/groups' bank statements.

Section 8.6: A yearly financial review will be a mandatory part of the West Virginia University Extension financial best practices and will be required to be maintained at the County Extension Office (for local groups) and at the state Extension Program Unit Office (for state level groups).

Section 8.7: Agents or State Advisors will need to review each club/group's financial review form and sign it before it is maintained on a local or state level.

SECTION 9: CLUB/COUNTY/GROUP POST-SECONDARY SCHOLARSHIPS

Section 9.1: Best Practices: It is recommended that if a county/club/group program is going to award scholarships to students for post-secondary opportunities, they follow these guidelines:

- A. All scholarships must be included in the approved budget for the chartered county/club/group and in the current fiscal year in which the scholarships are to be awarded.
- B. County/club/group awarding scholarship must have a written plan on awarding and distribution of scholarship funds.
 - a. Written plan includes applicant criteria, selection criteria, selection process, awarding process, and disbursement procedures.
 - b. County/club/group must keep record of scholarship funds that are being distributed during the year.
 - c. If a group that did not previously have a scholarship at the start of the year decides to give one, their plan must be approved before announcing scholarship to membership.
- C. Applicant criteria should be clearly outlined in the scholarship requirements and information packet. Information should be marketed to all youth who are eligible for the scholarship.
- D. Selection of all Scholarship recipients will be implemented by an unbiased selection committee who is not directly related or associated with any of the applicants. No parent, sibling or relative of an applicant may serve on the selection committee. The committee should use a scoring matrix agreed upon by the scholarship committee.
- E. Selection procedures need to be outlined in the scholarship requirements and information packet, or on the application. (i.e. Will the applicant be required to fill out an application? Will they be required to provide a portfolio to receive a scholarship? Will they be required to participate in an interview?)
- F. Awarding of the scholarship needs to be clearly outlined in the scholarship requirements and information packet (i.e. who will receive payment, how often will the scholarship be awarded, etc.).
 - a. Example: Scholarship recipients must request the scholarship funds within three months of being awarded the scholarship. Youth must supply a transcript of current semester and proof of enrollment for the following semester to be issued their scholarship funds.

SECTION 10: FUNDRAISING POLICY

The West Virginia University Extension Service encourages local club/group fund-raising because these funds help to add enrichment to Extension programs. Although few restrictions are applied to local fund-raising activities, always keep in mind that West Virginia University Extension has an image and reputation to uphold. Certain activities may be perfectly acceptable in one community, while being taboo in another.

As a general guideline, the WVU Extension Service should never be connected to any activity which is illegal, or which is contrary to the standards of our programs. The amount of funds raised should correspond to the amount of the projected budget. Fundraisers must be for the sole and direct purpose to support WVU Extension Service initiatives.

Section 10.1: County Extension faculty, or state advisors, must approve any fundraising done in the name of WVU Extension Service. Any club/group raising money in the name of WVU Extension Service must be in good standing through current chartering or memorandums of understanding on the local or state level.

Section 10.2: Online payment services may be utilized for accepting donations. See Section 7.1 for information regarding fees associated with these services. Some of these services may not qualify as a charitable donation even though the club/group is ultimately receiving the funds. Donors should consult their tax professional.

Section 10.3: Only a tax exempt charitable or public service organization may be licensed by the Tax Commissioner to conduct bingo games and raffles in West Virginia. If a club/group wishes to host a raffle, bingo or game of chance as a fundraiser, it must fulfill the requirements set forth by the West Virginia State Tax Department related to Business Registration for Bingo and Raffles. Information can be found on their website at: <https://tax.wv.gov/Business/BusinessRegistration/Pages/BusinessRegistrationBingoAndRaffle.aspx>

SECTION 11: STATE SALES TAX EXEMPTION

All West Virginia University Extension clubs/groups that are considered a subordinate organization to the University as part of the group exemption granted by the IRS, specifically 4-H Clubs, CEOS and Master Gardener groups, will be exempt from consumer sales tax for purchases made within the state of West Virginia. A sales tax exemption form using the individual subordinate organization's Federal Employer Identification Number (FEIN) should be presented at the time of purchase. Blank sales tax exemption forms can be found on the West Virginia State Tax Department website at: <https://tax.wv.gov/Documents/sst/f0003.pdf>.

All West Virginia University Extension clubs/groups that are not separately organized and who are not part of the University's group exemption, but who are a part of the University will be exempt from consumer sales tax for purchases made within the state of West Virginia based on the University's exemption. The University's sales tax exemption form using the University's FEIN should be presented at the time of purchase. The most current University sales tax exemption form can be found on the WVU Tax Services website at: <https://taxservices.wvu.edu/certificates-forms/tax-exemption/wvu-tax-exemption-certificates>.

All West Virginia University Extension clubs/groups that are not part of the University nor part of the group exemption, but who are separately organized as an organization exempt under Section 501(c)(3) will be exempt from purchases made within the state of West Virginia. A sales tax exemption form using the individual organization's FEIN should be presented at the time of purchase. Blank sales tax exemption forms

can be found on the West Virginia State Tax Department website at:
<https://tax.wv.gov/Documents/sst/f0003.pdf>.

Please note – Sales tax is a tax governed by each individual state. Some states have a sales tax, some do not. Some grant sales tax exemptions based on the organization’s IRS exemption status, some do not. For purchases made outside of the state of West Virginia, organizations should present a sales tax exemption form and request exemption from sales tax but understand that it may not be granted, and the purchase may be subject to sales tax in that state.

SECTION 12: CONFLICT OF INTEREST

No WVU Extension youth, volunteer, or adult serving in a leadership role for a club/group, or any of its Committees, shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the WVU Extension Service or any of its clubs/groups. Everyone shall disclose to the County Extension Agent or state level advisor any personal interest which he or she may have in any matter pending before the WVU Extension Service or any of its clubs/groups and shall refrain from participation in any decision on such matter.

SECTION 13: CLUB/GROUP BYLAWS AND FINANCIAL MANAGEMENT

All chartered clubs/organizations must have a set of by-laws that include provisions related to fiscal accountability, receiving and disbursing funds and the disposition of club/organization assets if the club/organization disbands. All assets, fiscal and property, go to the county or state program in the event that a club/organization disbands. An example of two required bylaw clauses addressing fiscal accountability and club disbandment is stated below:

Section 13.1: Fiscal Accountability Clause: *This club/group shall adhere to all guidelines related to financial accountability as outlined in the West Virginia University Extension Financial Management Rules and Guidelines.*

Section 13.2: Club Disbandment Clause: *“Upon the disbandment of the club, all real property, including money, equipment and land shall become the property of the County or State Extension Service for care and disposition and the club authorizes the WVU Extension Service and appropriate personnel full rights to access bank records, bank funds, and all other banking authority. This also applies to all inventory and assets acquired by and or owed by this organization. The last official duty of the club/group’s leader shall be to affect the transfer of club property and to turn over club records to the county Extension Agent or state advisor.”*

ANYWHERE Club/Group

P.O. Box 101010 Anytown,
West Virginia 12345

SAMPLE PAYMENT REQUEST FORM

PAYMENT REQUEST FORM

Date: _____

Person Submitting Request: _____

Contact Phone Number: _____

Amount Payable: _____

Memo (to appear on check stub): _____

Make check payable to: _____

Payee's address: _____

Payee's city/state/zip: _____

SPECIAL INSTRUCTIONS

If not mailing direct, return to: _____

Event/Project Associated With: _____

Explanation of Expenditure*:

**Attach copies of bills, invoices, receipts, and/or vouchers.*

Signature of Person Requesting Payment or Reimbursement

Date

Signature of Club/Group Treasurer

Date

Signature of Club/Group Leader

Date