



# 4-H MONEY MATTERS FACT SHEET 1

## 4-H MONEY BASICS

April 2012

*4-H Money Basics* provides a general overview of best practices and guidelines for handling 4-H money. This is the first in a series of *4-H Money Matters Fact Sheets* for 4-H Youth Development volunteers. The series will cover a variety of facts, tools and links to additional information with the goal of helping volunteers ensure that 4-H money is safe and accountable.

### 4-H Money = Public Funds

- A 4-H Charter is the only document that officially recognizes a 4-H Club or Group and authorizes their use of the 4-H Name and Emblem to conduct 4-H Youth Development programs.
- All money received by a 4-H Club or Group is public money because 4-H is a public organization.
- Federal regulations governing the continued use of the 4-H Name and Emblem require annual financial reporting and accountability.
- Funds raised in the name of 4-H must be publicly accountable and must be used for 4-H educational purposes.
- All moneys received from 4-H fund raising programs, except those necessary to pay reasonable expenses, must be expended to further the 4-H educational program.
- The 4-H treasurer is responsible to all members, volunteer leaders, 4-H Youth Development Educator, and the public.
- UW-Extension Cooperative Extension has oversight for 4-H programmatic and financial accountability.

### Managing 4-H Money

- 4-H funds must be deposited in a FDIC or NCUA insured public financial institution in an account bearing the 4-H name.
- An Employer Identification Number (EIN) is needed to open a checking or savings account. This is the Federal Identification Number. Work with the 4-H Youth Development Educator when applying for an EIN number. Personal social security numbers are never to be used on any 4-H financial account.
- The 4-H Club or Group should develop an annual budget. The budget is used by members, treasurers and others for planning expenses and paying bills. A budget should represent a reasonable expectation of projected expenditures and income for the 4-H Club and Group. A budget must be approved by the members.

### Best Practices

- The treasurer position in a 4-H Club or Group is a youth position. This is a valuable youth leadership role.
- Checks should require 2 signatures: the club treasurer and an adult volunteer leader. The two signatories should not be related to each other. Avoid having a parent-child as both signatories.
- Use good money handling practices:
  - Write a receipt for all monies received. The receipt should include the amount, source of the funds (such as a car wash or plat book sale), the date, and the name of the person making the payment. Receipts are back-up records for bank deposits made. Receipts should become a permanent part of the club files.
  - Deposit all monies into the bank account promptly.
  - Pay all bills promptly.
- Members need to approve payments. This is done through the approved budget. If the payment is outside the approved budget, a vote is needed by the membership at the next meeting.
- A payment approval form should be used and the receipt from the purchase should be attached.
- Financial records should be kept up-to-date and reported at each 4-H Club or Group meeting.

### Fund Raising Guidelines

- Money raised in the name of 4-H must be used for 4-H educational purposes.
- Fund raising should only be conducted to meet a specific 4-H Club or Group educational goal.
- Generally, money raised during the year should be spent that same year.
- Discuss fund raising plans with the 4-H Youth Development Educator.
- Check with the 4-H Youth Development Educator before putting the 4-H Name and Emblem on any item you intend to sell for profit. See the [4-H Name and Emblem website](#) for additional help.
- In connection with 4-H fundraising purposes, the following disclaimer must be used on products or services offered for sale: "A portion of the sales price of this product or service will be used to promote 4-H educational programs. No endorsement of the product or service by 4-H is implied or intended."

- 4-H Clubs and Groups that plan to conduct raffles or bingo, must comply with state regulations and obtain licenses from the State of Wisconsin License, Permit and Registration Services: <http://drl.wi.gov/>
- If a 4-H Club or Group is considering a major expenditure (over \$500) or purchasing capital equipment (an asset which has a useful life of more than one year) the 4-H Club or group must secure written approval from the 4-H Youth Development Educator prior to the purchase of the item using the [Considering Expenditures of Over \\$500, Capital Equipment and Gifts](#) guide and decision tree.

### Financial Reporting

- A financial report should be made to members at every meeting.
- The 4-H Club or Group Annual Financial Report **must** be submitted on time each year to the 4-H Youth Development Educator as part of the annual 4-H Charter Renewal packet.
- The Wisconsin 4-H fiscal year is July 1 through June 30.
- If a 4-H Club or Group has excess funds as defined by the [Wisconsin 4-H Youth Development Policies](#), a 5 year plan to spend down the funds must be put in place with the 4-H Youth Development Educator.

### State Tax Facts

- 4-H Clubs and Groups are eligible to receive and use a Wisconsin or Tribal sales tax exempt number. To obtain a sales tax exempt certificate, contact the 4-H Youth Development Educator or <http://www.dor.state.wi.us/forms/sales/s-103.pdf>.
- When a Wisconsin or Tribal sales tax exempt number is used, you do not pay sales tax on purchases made for the 4-H Club or Group.
- 4-H Clubs and Groups may or may not have to charge sales tax on fund raisers. Additional information is on the [4-H Financial Website](#) or contact the [Wisconsin Department of Revenue](#).

### Dissolution Clause

- All 4-H entities need to include the following dissolution clause in their bylaws or guidelines:  
*Upon dissolution of the 4-H club, any assets must be turned over to a recognized 4-H club or group, with the approval of the 4-H Leaders Association and the county 4-H Youth Development Staff.*

### Discuss Money with Your 4-H Club or Group

- Members should vote on dues annually.
- Members should decide if fund raising is needed to have funds for their planned activities.
- Members should approve a budget.

### For More Information

- [Wisconsin 4-H Youth Development Policies](#) These include the financial policies. (<http://www.uwex.edu/ces/4h/resources/policies/index.cfm>)
- [Money Matters Website](#) (<http://www.uwex.edu/ces/4h/clubs/money.cfm>) Includes tools to assist in handling 4-H money.
- 4-H Club Teaching Materials <http://www.uwex.edu/ces/4h/clubs/meetings.cfm>
- [Financial Management Website](#) (<http://www.uwex.edu/ces/4h/resources/mgt/financial.cfm>)
- [4-H National Headquarters](#) (<http://www.national4-hheadquarters.gov/>) provides the national 4-H policies including the regulations regarding use of the 4-H Name and Emblem.

### Additional [4-H Money Matters Fact Sheets](#) (<http://www.uwex.edu/ces/4h/clubs/money.cfm>)

- 4-H Money Matters Fact Sheet 2: Financial Accountability
- 4-H Money Matters Fact Sheet 3: Managing 4-H Money
- 4-H Money Matters Fact Sheet 4: Fund Raising
- 4-H Money Matters Fact Sheet 5: Audits for 4-H Clubs and Groups
- 4-H Money Matters Fact Sheet 6: Annual Financial Report
- 4-H Money Matters Fact Sheet 7: Excess Funds and 5-Year Plans

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