



Wisconsin 4-H Community Clubs

FINANCIAL ACCOUNTABILITY

Developed February 2005, Updated October 2007

4-H Money = Public Funds

- A 4-H Charter is the only document that officially recognizes a 4-H Club or Affiliated 4-H Organization and authorizes its use of the 4-H Name and Emblem for the conduct of 4-H Youth Development programs.
- All money received by a 4-H club is public money since 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 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, leaders, 4-H Youth Development Staff, and the public.

Managing 4-H Money

- 4-H funds must be deposited in a 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.
- **Do not** use a personal social security number in establishing a 4-H checking or savings account. To apply for an EIN from the Internal Revenue Service check with 4-H Youth Development Staff or the IRS website:
<http://www.irs.ustreas.gov/businesses/small/article/0%2C%2Cid=102767%2C00.html>.
- Checks should require 2 signatures: the club treasurer and an adult leader. Avoid having a parent-child as both signatories.

State Tax Facts

- 4-H clubs are eligible to receive and use a sales tax exempt number. To obtain a sales tax exempt certificate, contact the Extension Office or
<http://www.dor.state.wi.us/forms/sales/s-103.pdf>.
- When a tax exempt number is used, you do not pay sales tax on purchases.
- Clubs do not charge sales tax on fund raisers as long as they meet state sales tax requirements.

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.”
-Wisconsin 4-H Policy

Best Practices

- The treasurer position in a 4-H club is a youth position.
- Use good money handling practices:
 - Writing 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.
 - Depositing all monies into the bank account promptly.

Best Practices Continued

- Members need to approve payments.
- 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 club meeting.
- 4-H Club Annual Financial Report **must** be submitted on time each year to the UW-Extension Office to continue to use the 4-H Name and Emblem.

Fund Raising Guidelines

- Money raised in the name of 4-H must be used for 4-H purposes.
- Fund raising should only be conducted to meet a club goal. There must be a definite plan to account for funds raised prior to authorization.
- Generally, money raised during the year should be spent that same year.
- Discuss fund raising plans with 4-H Youth Development Staff.
- Check with 4-H Youth Development Staff before putting the 4-H name or emblem on any item you intend to sell for profit.
- 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 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://www.wisconsin.gov/state/app/license?COMMAND=gov.wi.state.cpp.license.command.ShowPermitTypes&selectedLicense=2001010811174411321565>.

Discuss Money with Your 4-H Club

- 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.

Resources to Help

- National 4-H Headquarters Policies and Regulations
http://www.national4-headquarters.gov/library/4h_polregs.htm
- Tools and information to help clubs answer financial questions
<http://www.uwex.edu/ces/4h/clubs/money.cfm>
- 4-H Club Teaching Materials
<http://www.uwex.edu/ces/4h/volunteers.cfm>
- 4-H Youth Development Staff

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Information adapted from:

- National 4-H Headquarters Policies and Regulations http://www.national4-headquarters.gov/library/4h_polregs.htm
- Wisconsin 4-H Club Financial Handbook for Leaders, 1998.
- "Wisconsin 4-H Financial Polices" power point presentation by Carolyn Belczyk, Walworth County Department Head/4-H Youth Development Educator.



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