



4-H MONEY MATTERS FACT SHEET 6

4-H ANNUAL FINANCIAL REPORT

April 2012

Purpose of the 4-H Annual Financial Report

Federal regulations governing the use of the 4-H Name and Emblem require annual financial accountability of all 4-H Clubs and Groups. Funds raised in the name of 4-H must be publically accountable and must be used for 4-H educational purposes. Failure to annually submit the financial report could result in the loss of the 4-H Charter and the use of the 4-H Name and Emblem. The 4-H Annual Financial Report provides the required documentation and accountability for all 4-H funds to ensure that all Wisconsin 4-H Youth Development Policies, state and federal laws are followed. The 4-H Annual Financial Report is a critical component of the Annual 4-H Charter Renewal process.

Responsibility for Completion of the Annual Financial Report

The 4-H Club or Group Treasurer and the 4-H Club or Group Volunteer Leader that has responsibility with the Club or Group finances completes the 4-H Annual Financial Report. Signatures of both individuals are required on the last page of the Report.

Cash Accounting Method

All 4-H Clubs and Groups/ Committees are to use a cash accounting method. 4-H Clubs and Groups are expected to be raising money for the next fiscal year, while spending money that was raised in the previous fiscal year. This means that a 4-H Club and Group may have obligations to pay for expenses that have not been fulfilled, while it is taking in cash receipts for fundraising. (For additional background, see [IRS Publication 538](#).)

Helpful Tips

- The Wisconsin 4-H fiscal year is July 1 to June 30.
- It is recommended that the 4-H Club or Group Annual Financial Report be completed in July or soon after the end of the 4-H fiscal year. The completed Report should be given to the 4-H Club or Group volunteer leader and submitted as part of the Annual 4-H Charter Renewal packet. This packet is due to the County UW-Extension Office by November 1 or earlier as determined by the 4-H Youth Development Educator.
- The Employee Identification Number or EIN is required by all 4-H Clubs and Groups. It is needed to open any financial account and for reporting to the IRS. It is the Federal Tax Reporting Number.
- The Wisconsin or Tribal Sales Tax Number is used when a 4-H Club or Group makes purchases for the group so they do not have to pay Wisconsin sales tax on the items. It is optional for 4-H Clubs and Groups.
- The beginning balance on the accounts ledger for the Annual Accounting Form of the report is as of July 1 of the previous calendar year. **This balance should match your ending balance reported on the prior year's charter. The ending balance is of June 30 of this year.**
- The ending balances reported on the accounts ledger should be reconciled with the bank statement of June 30.
- The difference in the **reconciled** funds in checking plus savings account must match the difference between the total funds received and disbursed.
- All financial accounts used by the 4-H Club or Group must be listed and individuals that have authorization to those accounts identified.
- Attach a copy of the **bank statement ending June 30** for each account held by the 4-H Club or Group.
- The annual audit of the 4-H Clubs or Groups financial records must be audited by two persons unrelated to the person who completed the Annual Financial Report and are not directly involved with the 4-H Club or Group's finances. One auditor must be an enrolled adult 4-H Volunteer Leader. The second auditor could be another 4-H volunteer leader, a 4-H youth leader, or the new treasurer. It's a good idea to form an audit committee comprised of both youth and adults.

Reporting Categories for Funds Received and Funds Disbursed

All funds that a 4-H Club or Group handles must be identified by specific categories of purpose. These categories are important for communication in regard to compliance with state and federal laws.

Funds Received

- **Fund Raising:** This includes money given to the 4-H Club or Group in return for a product or service that is received by the person or group that is giving the money. The money is used for a separate purpose by the 4-H Club or Group. Do not subtract any fund raising expenses. Examples include food sales, car washes, silent auctions or raffles, etc. If a fund raiser straddles two fiscal years, it should be recorded in the year it was collected.

- **Member Dues:** Money collected by members for participation in the 4-H Club or Group. This allows youth to be a member and have the right to vote. Dues are used for the benefit of the member. This includes project supplies, instructional materials/literature, insurance, etc.
- **Donations:** This includes money that is given to the group for a specific purpose or experience but the member or volunteer receiving the benefit of the money is not directly related or connected to the donors. Examples are gifts, grants, bequests, in-honor of gifts, etc. It is important to keep an accurate list of donations and donors.
- **Investment Income:** This category includes all interest earned from a bank account, endowment, foundation, trust or other investment account. Interest that is earned and is allowed to roll over to add to the principle must also be reported. Interest is recorded in the year it is earned.
- **Income from Youth Development Services:** Money collected for member participation in a youth development experience. The benefits are for specific members. There is a connection between the person giving the money (such as a parent, guardian, relative, close friend) and the recipient. Examples include 4-H camp fees, project learning days, field trip registration fees, etc. This category can be used as a safety net for unknown items.
 - If the 4-H club or group pays any part of expenses for a youth development experience, money collected from multiple sources should be recorded here. For example, if the member pays 50% of a registration fee and the Club pays the rest, record the income in this column.
 - If t-shirts are part of the program fee, the income should be recorded here. If t-shirts are a fund raiser, they should be recorded under fund raising.
- **Other/Pass Through Money:** When the total amount of a fee is collected and then paid in full to the organization hosting the event, the money is recorded as *Other/Pass Through Money*. The total recorded here should equal the total under *Other /Pass Through Money* disbursed.

Funds Disbursed

- **Fund Raising Expenses:** This includes any expenditure incurred related to a 4-H Club or Group fund raiser. If a fund raiser straddles two years, it should be recorded in the year money was disbursed. Additional columns could be added by individual fund raisers, however, a total amount of expenses for all fund raisers should be clearly recorded.
- **Other/Pass Through Funds:** The total amount of money paid to the organization or group that is planning and conducting an educational event or experience equal to the money that is collected from the member.
- **Additional categories** can be added based on the needs of the 4-H club or group. Examples include dues paid to the County Leaders Organization, Educational Supplies, Community Service Expenses, Recreation, etc.

A sample worksheet is attached that can be used or adapted by 4-H Clubs and Groups.

For More Information

- [Wisconsin 4-H Youth Development Policies](http://www.uwex.edu/ces/4h/resources/policies/index.cfm) 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) (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) (http://www.uwex.edu/ces/4h/resources/mgt/financial.cfm)
- [4-H National Headquarters](http://www.national4-hheadquarters.gov/) (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) (http://www.uwex.edu/ces/4h/clubs/money.cfm)

- 4-H Money Matters Fact Sheet 1: 4-H Money Basics
- 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 7: Excess Funds and 5-Year Plan

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4-H Annual Accounting Form Worksheet

Name of 4-H Club or Group: _____

Fiscal Year: _____

Funds Received

Date	Detailed Description	Check Number	Fund Raising Expenses	Member Dues	Donations	Investment Income	Income for Youth Development Services	Other/ Pass Through Funds	
TOTAL for Each Column									

Funds Disbursed

Date	Detailed Description	Amount	Fund Raising Expenses	(List Category)	(List Category)	(List Category)	(List Category)	Other/ Pass Through Funds	
Total for Each Column									