



4-H MONEY BASICS

June 2015

4-H Money Basics provides a general overview of best practices and guidelines for handling 4-H money.

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 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.
- A 4-H Club/Group (including the 4-H Leaders Organization) is discouraged to open a credit card account, as it invites mismanagement. Purchases should be pre-approved and receipts should be presented for reimbursement.

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 resources on the Wisconsin 4-H 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. Contact your County Educator for more information.
- 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.

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.
- 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 Management webpage.

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.

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