



4-H MONEY MATTERS FACT SHEET 5

AUDITS FOR 4-H CLUBS AND GROUPS

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What is a 4-H audit?

Any 4-H Club or Group that collects or pays out money must have a review or audit each year. The review or audit checks and verifies the 4-H accounts and financial activities at the end of the year or when a new treasurer takes office. It basically entails making sure there are receipts for all income and expenses and verifying the beginning and ending balances. The audit prevents misunderstandings and protects the outgoing and incoming treasurers. The 4-H Club or Group Annual Financial Report provides the summary of the financial activities for the year.

Which 4-H Clubs or Groups must conduct an audit?

As stated in the [Wisconsin 4-H Youth Development Policies](#), all 4-H Clubs and chartered Groups are required to submit a 4-H Annual Financial Report to the 4-H Youth Development Educator. The audit is part of this report. The 4-H Annual Financial Report is part of the Annual 4-H Charter Renewal Process. The 4-H Annual Financial Report is the last two pages of this document.

Federal regulations governing the use of the 4-H Name and Emblem require annual financial reporting/accountability of all organized 4-H Clubs and Groups. Failure to submit the 4-H Annual Financial Report could result in loss of approval to use the 4-H Name and Emblem and 4-H Charter.

What's the purpose of an audit?

The purpose of an audit is to ensure that the financial records kept by the bank and the treasurer agree. These records must also coincide with the reports presented to club members throughout the year. The audit protects both new and old treasurers and the members who have worked so hard to contribute to the fund raising efforts. The audit is also an efficient way to update financial information and records.

When should the audit be completed?

The annual audit is to be completed at the close of the 4-H fiscal year which ends on June 30. It is recommended that the audits be completed during the month of July. The audit information is included in the 4-H Club or Group Annual Financial Report which is in the Annual 4-H Charter Renewal document. Ask the 4-H Club or Group Organizational Volunteer Leader and the 4-H Youth Development Educator for the specific due date for the 4-H club or group. An audit should also be done any time during the fiscal year that the group's treasury changes hands.

Who should do the audit?

The 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.

What does the auditor need?

The 4-H Club or Group's treasurer and volunteer leader that works with the 4-H Club or Group's finances should provide:

- Completed 4-H Annual Financial Report
- All of the financial records. This includes receipts, bank statements, copies or images of all checks written, and the checkbook register.
- The *Audit Checklist*, a tool to assist in the 4-H club or group audit. It is available at the [Money Matters Website](http://www.uwex.edu/ces/4h/clubs/money.cfm) (<http://www.uwex.edu/ces/4h/clubs/money.cfm>) or from the 4-H Youth Development Educator. It needs be included with the 4-H Club or Group's financial records and a copy may be requested by the 4-H Youth Development Educator as part of the Annual 4-H Charter Renewal packet.

Where is the 4-H Club or Group Annual Financial Report and Who Completes It?

The 4-H Club or Group Annual Financial Report form can be found in the last pages of the Annual 4-H Charter Renewal packet, distributed to 4-H Clubs and Groups annually by the 4-H Youth Development Educator. Links to the Annual 4-H Charter Renewal packet are on [4-H Community Club Central Home page](http://4h.uwex.edu/clubs). (<http://4h.uwex.edu/clubs>)

The 4-H Club or Group Annual Financial Report should be completed by the 4-H Club treasurer that worked with the accounts and the 4-H Volunteer Leader that works with 4-H Club or Group finances. This may be the 4-H Club or Group's organizational volunteer leader. The 4-H Annual Financial report is signed by the 4-H club treasurer, 4-H volunteer organizational leader or volunteer leader that works with the group's finances and both auditors.

Once completed, it should be returned to the 4-H Club or Group volunteer leader that provides leadership for the Annual 4-H Charter Renewal process to ensure that the entire document is submitted by the due date identified by the 4-H Youth Development Educator. See 4-H Money Matters Fact Sheet 6 for more information.

In review, what are recommended steps for completing the 4-H club or group annual audit?

- The 4-H Treasurer reconciles all accounts for the 4-H Club and Group at the close of the fiscal year. The 4-H volunteer leader who supports the 4-H Club or Group's finances would assist. This step should be completed as close to June 30 as possible.
- The 4-H Treasurer assembles all receipts, bank statements, checkbook registers, and other financial records.
- The 4-H volunteer leader and 4-H Treasurer secures a copy of the 4-H Annual Financial Report and begins completing the report. A copy of the *4-H Audit Checklist* is made.
- The 4-H Club or Group identifies and secures the two auditors.
- A date is set for the audit.
- The audit is completed.
- Those completing the audit should complete the *Audit Checklist* with the 4-H Treasurer and 4-H volunteer leader who supports the 4-H finances. The 4-H Annual Financial Report is completed and reviewed. The 4-H Club or Group Annual Financial Report is signed by auditors, the 4-H Treasurer and the 4-H volunteer that supports 4-H finances.
- The 4-H Annual Financial Report is submitted to the 4-H Club or Group's volunteer leader in charge of the Annual 4-H Charter Renewal Documents.
- 4-H financial records for the 4-H Club or Group are securely stored and turned over to the new treasurer. If a 4-H Club or Group dissolves, the financial records are turned over to the 4-H Youth Development Educator.
- A year-end financial report is given to the 4-H Club or Groups members at the next meeting and recorded in the meeting minutes.

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>)

- 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 6: Annual Financial Report
- 4-H Money Matters Fact Sheet 7: Excess Funds and 5-Year Plans

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