



## Delaware 4-H Club Financial Guidelines For Chartered 4-H Clubs and Other Groups Authorized to Use the 4-H Name and Emblem in Delaware

The Delaware 4-H Youth Development program is part of the Delaware Cooperative Extension, which is part of the University of Delaware. Because of this relationship, all financial transactions of local 4-H clubs, county councils, committees, boards, and other related organizations (county leaders' council/association, camp board, livestock sale committee, etc.) must be managed according to the guidelines outlined in this paper.

Under U.S. Department of Agriculture and University of Delaware guidelines, each County Cooperative Extension Office is required to keep track of all financial transactions made by clubs and groups authorized to use the 4-H name and emblem. Each authorized club/group must complete an annual report showing the source of all income and how it is disbursed. The required annual report:

- Creates an open, public record for each nonprofit group.
- Fulfills the audit concerns of the University of Delaware.
- Shows how Delaware Extension-related organizations help the University fulfill its obligation of accountability to the residents of Delaware.

The following guidelines will help your 4-H club/group fulfill its responsibilities for handling funds:

**1. Bank Account:** All monies should be placed in a bank account in the name of the club/group. As nonprofit organizations, 4-H clubs/groups are normally not charged a service fee. There may be, however, a charge for printing the club/group name on checks. It is highly recommended that bank statements be sent from the bank directly to the leader to allow for necessary oversight.

**2. Employer Identification Number (EIN):** All 4-H clubs fall under the umbrella of the Delaware 4-H Association for Internal Revenue Service (IRS) reporting. Therefore, when a club opens a new account at a banking institution, the 4-H club must notify the State 4-H Office in order to allow the proper paperwork to be completed and provided to the 4-H club to use in properly establishing this financial account. The State 4-H Office will need to know the club name as well as the financial institution name where the new account will be opened. 4-H clubs who had bank accounts established before the Delaware 4-H Association was created on April 9, 2012 are also encourage to follow this same procedure to change their current EIN number on file over to the EIN number for the Delaware 4-H Association.

**3. Signatures:** Each club/group is required to have two (2) names on all checking and savings accounts. Chartered 4-H clubs will have the youth treasurer and a Delaware Cooperative Extension (DCE) volunteer on accounts. The DCE volunteer should not be the parent, or relative of the treasurer. If the parent of the Treasurer is the Organizational Leader, an additional adult leader's name must be added to the account during the time period this situation exists. The club can require both signatures on all checks or may elect to only require one signature. No University of Delaware faculty or staff member's signature may appear on any account belonging to a 4-H club/group authorized to use the 4-H name and emblem.

**4. Delaware 4-H Club Treasurer's Record Book:** The club/group treasurer should use the Delaware 4-H Club Treasurer's Guidebook as a guide/reference to show sources and amounts of money received and payments made to whom and for what purpose. Treasurer's records become a permanent part of the club records.

**5. Annual Budget:** Clubs/groups are encouraged to prepare an annual budget. This is a written plan to raising and spending money for 1 year. Since the members of the club/group approve the budget, it will not be necessary to seek approval for payment of items included in the budget. If the club/group does not have a budget, or items arise that are not a part of the budget, each item must be presented to members for approval before payment is made. An annual budget accomplishes two things. First, all expenditures of club funds are made with full approval of the club/group. Second, it is a great way for members to learn how money flows in and out of an organization.

**6. Receipts:** All income should be acknowledged with a written receipt, preferably pre-numbered. The receipt should include the source of the funds (such as carwash or plant sale), the date, and if possible, the name of the person making the payment. These receipts are the back-up documentation for bank deposits. The receipts become a permanent part of the club/group records.

**7. Payments:** Payments should be made only in response to a written bill or sales receipt. The itemized receipts clearly stating what was billed, with the check number and the date of the check on it, will also become a permanent part of the treasurer's records.

**8. Fund Raising:** 4-H members do not pay state or national membership dues. Local and county clubs/groups may raise money for their goals through fund-raising or dues or both. Fund-raising must be done for the good of the total group and be consistent with the county/state fund-raising policies.

**All monies raised using the 4-H name must be used only for 4-H activities.** Because these funds are publicly accountable, they may not be given to individual club members or others, but must be used to pay for educational programs, activities, workshops, or supplies. Fund-raising should not be the main focus of group activities nor exclude any individual from participating. Clubs are expected to support the financial needs of the total group and, when possible, assist with participant costs in county, state, national, and international programs.

Recommended fund-raisers for youth groups include car washes; bake, cookie, citrus fruit, plant, candy, and yard sales; pancake suppers; spaghetti dinners; auctions; and flea markets.

**9. Cash Donations:** Cash donations must be acknowledged in writing to the donor and must include the amount of the contribution. A copy of the acknowledgment must be kept with the treasurer's records.

**10. Non-Cash Donations:** *Non-cash donations* (consumable donations of supplies or miscellaneous items) should also be acknowledged in writing to the donor. A description of the item(s) must be included in the acknowledgment. Valuation of non-cash donations is the responsibility of the donor, in consultation with his/her tax advisor and individuals qualified to appraise an item of this type. It is not appropriate for a 4-H club/group, faculty/staff member, or Delaware Cooperative Extension volunteer to place a value on items donated. Donors cannot specify the individual recipient of cash or non-cash donations. A copy of the acknowledgment must be kept with the treasurer's records.

*Non-consumable donations* such as equipment or animals should be accepted only if the club/group is prepared to accept the responsibilities of ownership including care, maintenance, and insurance. Clubs should not feel compelled to accept non-cash gifts. Contact the 4-H faculty/staff member whenever there are questions about accepting and/or managing donations.

**11. Quid Pro Quo Contributions:** Quid pro quo contributions, “payment made partly as a contribution and partly for goods or services provided to the donor by the charity,” should also be acknowledged in writing. An example of a quid pro quo contribution is where the donor gives \$100 for a cake valued at \$12. The disclosure statement must inform the donor that the “amount of the contribution that is deductible for federal income tax purposes is limited to the excess of any money (and the value of any property other than money) contributed by the donor over the value of goods or services provided by the charity,” and provide the donor with a good faith estimate of the value of goods or services that the donor received.

**12. Bank Statements:** All bank statements received from the bank must be reconciled by the Treasurer on a timely basis. All bank statements and bank reconciliations become part of the club’s permanent records.

**13. County Review:** A financial report for each 4-H club/group authorized to use the 4-H name and emblem must be turned in to the county Extension office by March 15<sup>th</sup> each year for review. The financial report will represent information for the 4-H year of January 1<sup>st</sup> through December 31<sup>st</sup>. The county 4-H Youth Development educator, the County Extension Director or other identified individual(s) not affiliated with the club will conduct the financial review. The form required for the review is the Annual Club Audit Form. These reports become a permanent part of the county record maintained for each club/group and will remain on file for five (5) years.

Additional information, including all bank statements, receipts, canceled checks, checkbooks, savings account books, and the Delaware 4-H Club Treasurer’s Guidebook may also be requested for review. These items will be returned following the review and should remain with the permanent club/group records.

**14. Club/Group Disbandment:** Monies left in account(s) when a club/group disbands, ceases operation, or loses its charter must be turned over to the Delaware Cooperative Extension Office. These monies may be used for county 4-H programs and activities. All property belonging to the club/group must be turned in to the Delaware Cooperative Extension Office. If a club divides, creating more than one properly chartered club or authorized group, the funds from the original club/group must be divided based on membership in each club/group.

**15. Complaints:** The Delaware Cooperative Extension 4-H Youth Development faculty/staff member and/or County Extension Director will investigate all complaints regarding use of funds. Concerns can be avoided and/or settled quickly if all financial records are kept up-to-date and the guidelines outlined here have been followed.

**16. Clubs/Groups Not Handling Money:** Clubs/Groups that don’t have treasuries and don’t handle any money need to mark 0’s on the Annual Club Audit Form, sign and date the form, and return it to the county Extension Office by March 15th each year.

# Annual Club Audit Report

For the Period of Jan. 1 to Dec. 31

2017

Club Name: \_\_\_\_\_

## Account Balance at Beginning of Year:

Type of Account	Account Number	Account Balance
Checking Account #1	_____	_____
Checking Account #2	_____	_____
Savings Account #1	_____	_____
Savings Account #2	_____	_____
<b>Total of Accounts at Beginning of Year</b>		<b>A</b> <span style="border: 1px solid black; display: inline-block; width: 80px; height: 20px; background-color: #fce4d6;"></span>

## REVENUES:

1. Membership Dues	_____	
2. Donations	_____	
3. Grants	_____	
4. Sponsorships	_____	
5. Awards/Prizes	_____	
6. Event Entry/Participation Fees	_____	
7. Stipend Revenue	_____	
8. Bank Interest	_____	
9. Horse Riding Lessons	_____	
10. Fundraisers (*From Schedule 1)	\$0.00	
<b>Total Revenue for Year</b>		<b>B</b> <span style="border: 1px solid black; display: inline-block; width: 80px; height: 20px; background-color: #fce4d6;"></span>

## EXPENSES:

1. Club Supplies	_____	
2. Event Entry/Participation Fees	_____	
3. Meeting Space Rental	_____	
4. Awards/Prizes	_____	
5. Donations	_____	
6. Sponsorships	_____	
7. Event Expenses (non-fundraiser)	_____	
8. Travel	_____	
9. Horse Riding Lessons	_____	
10. Bank Fees	_____	
11. Fundraisers (**From Schedule 1)	\$0.00	
<b>Total Expense for Year</b>		<b>C</b> <span style="border: 1px solid black; display: inline-block; width: 80px; height: 20px; background-color: #fce4d6;"></span>

**Account Balance at End of Year (A + B - C)** **D**

Add back checks that haven't shown up on bank statement **E**

Subtract deposits that haven't shown up on bank statement **F**

**Adjusted Balance** (Should agree with bank statement. Include a clear copy of bank statement showing balance that agrees with this total adjusted balance.)

**Adjusted Balance at End of Year (D + E - F)** **G**

# Annual Club Audit Report

## Account Balance at End of Year:

Type of Account	Account Number	Account Balance
Checking Account #1		
Checking Account #2		
Savings Account #1		
Savings Account #2		
<b>Total of Accounts at End of Year</b>		

Checking Account #1		
Checking Account #2		
Savings Account #1		
Savings Account #2		

**Total of Accounts at End of Year**

**The calculation on this line should always equal zero**



**Approved by:**

Club Leader (signature & date): \_\_\_\_\_

Club Adult Volunteer (signature & date): \_\_\_\_\_

Club 4-H Member (signature & date): \_\_\_\_\_

Club 4-H Member (signature & date): \_\_\_\_\_

**Reviewed/Approved by:**

County Office \_\_\_\_\_

State Office \_\_\_\_\_

### SCHEDULE 1 - CLUB FUNDRAISERS

Fundraiser Name	Amount of Revenue	Amount of Expense
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

<b>TOTALS</b>	\$0.00	\$0.00
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\*List on Item 10 - Revenue Section      \*\* List on item 11 - Expense Section