TREASURY GUIDELINES*

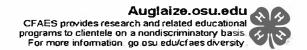
- There must be a real need or purpose for the club treasury. Do not raise money for the sake of raising money.
 This need and purpose should be understood by the group. All club money (receipts and expenses) should go
 through the treasurer. The club may want to establish a budget for the year.
- 2. Local 4-H club treasuries should have a minimum carry over from year to year. If the treasury is saving for a major project the money should be given to the project annually. Large treasury balances are highly discouraged. These large accounts frequently become a source of argument. Special groups agitate for "use of the money" not in harmony with needs and interests of the total club. Large treasuries can cause clubs to come under suspicion if members or parents see no us for the money.
- 3. The treasurer should keep accurate records and report the status of the treasury at every meeting. The "Ohio 4-H Treasurer's Book" should be used and should help maintain accurate records. A treasurer's report should be given at each meeting and the secretary minutes should reflect the action taken.
- 4. The club treasury should be audited annually by a committee from the club, appointed by the president or by someone not directly associated with the treasurer.
- 5. Money should be deposited in a local bank. Withdrawal and/or payment of bills should be by approval of the club or executive committee. All transactions should be conducted in a businesslike manner. No careless "shoebox" practices. There is risk in having the treasury in someone's home. This applies to members and advisors. Funds should be handled soundly. These practices build confidence, trust and pride. Careless handling sows seeds for dissension, misunderstanding and breakup.
- 6. If a club disbands, the funds in the treasury should be given to a worthy cause 4-H Committee, Ohio 4-H Foundation, Endowment Fund, charity. If possible, the club should decide on the cause.

If a club votes to divide, the treasury should be divided based upon membership with equal shares per member going to the respective club treasury. Money may be passed on to another club, but should never be given back to remaining members, because many persons contributed to it.

If a club is divided without mutual agreement and cannot decide on division of the treasury, the problem should be referred to the county 4-H Committee.

- 7. Expenditures to be authorized only by club members or executive committee for club purposes. Be sure no one person or clique controls the treasury -- including club advisors.
- 8. Treasury should be the responsibility of a member elected to the position, not the advisors. Keeping records, paying bills, etc. are valuable educational skills learned by members. Members should control the money through the office of the treasurer.
- 9. 4-H Clubs need to follow Internal Revenue Service requirements for filing tax information. All clubs are required to have a Employee Identification Number (EIN). EIN can be obtained through an SS-4 form.





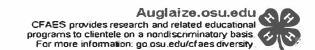
GUIDES FOR RAISING FUNDS FOR LOCAL 4-H CLUBS

- 1. Encourage members to sell products coming from their own project work.
- 2. Never use the 4-H name or emblem in connection with the sales of a commercial product.
- 3. Lotteries, raffles, games of chance are discouraged. 4-H fund raisers should give the customer full value for their money. Remember, there are state and local laws regulating lotteries.
- 4. Try to avoid door-to-door canvass or "tag days". Give people something for their money.
- 5. Use accepted fundraising procedures and inform the public how funds will be used.
- 6. Fundraising should be a result of interest and appreciation for 4-H work, its ideals and goals.
- 7. Remember the purpose of 4-H is education. Do not let fund raising get in the way of learning and doing.
- 8. Keep fund raising to a minimum. One or two drives a year maximum and keep the time span short.
- 9. Never let fund raising lower the status or prestige of 4-H. Wholesome educational purpose for funds and wise use of them are the most important guiding principles.

IDEAS ON RAISING MONEY

- 1. Sales, bazaars, auctions or roadside stands for selling products which 4-H'ers have produced.
- 2. Serving dinners, box suppers, socials, refreshment stands at fairs, games or festivals.
- 3. Amateur entertainment festivals, dances.
- 4. Community Christmas tree plot.
- 5. Recycling drives to collect cans or newspapers.





^{*}Adapted from the Ohio 4-H Agent's Handbook.

Managing 4-H Club Finances Ohio 4-H Youth Development

Accurate financial management is critical for Ohio 4-H clubs regardless of the amount of money or its intended purpose. The establishment of checking accounts is a recommended practice for 4-H clubs that collect money and pay bills. The following practices should be reviewed prior to establishing club treasuries and as a reference for managing club finances.

- 4-H club checking accounts should be established in the club name, not an individual's name.
- A minimum of two signatures should be required to write a check. Under guidance from adult volunteers, a suggested practice for checks is to have the treasurer and secretary as signatories.
- Each 4-H club opening a checking account is <u>required</u> to have its own Taxpayer Identification Number (TIN).
 The Club must complete an SS-4 form available through any local Social Security Office or from the Internal Revenue Service.

Social security numbers of 4-H members, parents or advisors are not to be used as a club's Taxpayer Identification Number (TIN).

The Internal Revenue Service has assigned a **Federal Group Exemption Number of 2704** to be used by 4-H clubs on the SS-4 and any tax returns that are required. 4-H clubs authorized to use this number must meet local organizational guidelines and be recognized as an active club by the County Extension Office. (**See the attached copy of a properly completed SS-4 form**.)

- Bank statements should be sent to a 4-H club advisor, or someone who does not have authority to sign
 checks. After review (i.e. correct number of deposits, checks, & balance) statements should be given to
 treasurer and included in the official records. If possible, 4-H clubs should request actual cancelled checks
 from their bank.
- Bills should be approved for payment by the 4-H club members before checks are written. When a check is
 written, it should be correctly recorded in the Treasurer's records and Secretary's minutes. The Treasurer
 should keep copies of documents supporting expenditures (cash register receipt, invoice, etc.).
- All income should be documented by prenumbered receipts, with appropriate copies kept with the Treasurer's records. All income should be deposited in the club's checking account.
- The Treasurer must keep accurate records and report the status of the treasury at each meeting. The
 Secretary's minutes should reflect financial actions and/or account balances. This should be done for each
 business meeting. The Ohio 4-H Treasurer's Record Book, Circular 935, should be used to maintain
 accurate records.

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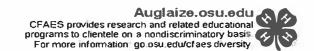
- The club treasury should be audited annually and prior to a new treasurer assuming office. The President should appoint a committee from the club, made up of persons not directly associated with the Treasurer. The OSU Extension office has the authority to ask for a club's financial statement that itemizes receipts and expenses and copy of the audit. See the attached: "Recommended Audit Procedures."
- 4-H organizations have an obligation to file an Annual Information Return, Form 990, with the Internal Revenue Service, when gross receipts in the tax year exceed \$25,000.00.
 Local accountants or financial institution representatives may be good contacts when initiating this obligation.
- 4-H agents and other Extension staff are not to be responsible for handling
 4-H Club monies and are not to have signature authority on 4-H club bank accounts.

Developed By: Ryan J. Schmiesing, Cindy Crawford, Bill Henderson, Linda Johnson, Feb. 2000

Reviewed By: Beth Miller, Judy Villard, Lori Keller

Source: Ohio State University Extension Business Office Procedure Manual



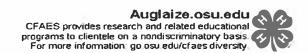


Recommended Audit Procedures

- Secure all financial records (blank checks, cancelled checks, bank statements, ledgers, receipts) for the audit period.
- Review each check for correct signatures and appropriateness of payment or vendor.
- Match documentation (invoice, cash register receipt) to each check.
- Select a sample of expenditures and review minutes to determine whether expenditures were authorized.
- Trace receipts/expenditures recorded on the ledger to the bank statement.
- Compare dates of receipts to dates of deposits. Document any extended delays in deposits (more than one week).
- Review numerical sequence of canceled and unused checks. List any missing checks.
- Compare donor records to recorded receipts. Document any differences.
- Reconcile at least two bank statements to the records.
- If certificates of deposit are owned, verify that they are still on deposit with the bank. If no longer
 on deposit, trace proceeds to deposit in checking account.
- Compare receipts/expenditures to budget. Determine if level of activity appears to be reasonable.
- Provide mathematical accuracy of records:
 - Cash Balance 12/31/98
 - + Receipts During 1999
 - Expenditures During 1999 Cash Balance 12/31/99
- List any checks that are outstanding and date of issue.
- Compare financial records of treasurer's report for at least two months. Document unreasonable differences.
- Report to the membership of the 4-H club the state of the past years records.

Source: OSU Extension Business Procedures Handbook, Section 16.0





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