

## TREASURY GUIDELINES\*

1. 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 use 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 required 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.

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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



Form **SS-4**  
(Rev. July 2007)

**Application for Employer Identification Number**

OMB No. 1545-0003

Department of the Treasury  
Internal Revenue Service

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

EIN

▶ See separate instructions for each line. ▶ Keep a copy for your records.

Type or print clearly.	1 Legal name of entity (or individual) for whom the EIN is being requested <b>CLUB / GROUP NAME</b>		3 Executor, administrator, or trustee (Principal contact)	
	2 Trade name of business (if different) (Usually blank)		5a Street address (if different)	
	4a Mailing address (room, apt., suite, etc.)		5b City, state, and ZIP code	
	4b City, state, and ZIP code (if foreign)		6 County and state where principal business is located	
	7a Name of principal officer, general partner, grantor, owner, or trustee <b>LEAVE BLANK</b>		7b SSN, ITIN, or EIN <b>LEAVE BLANK</b>	
	8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		8b If 8a is "Yes," enter the number of LLC members	
8c If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
8a Type of entity (check only one box). Caution: If 8a is "Yes," see the instructions for the correct box to check.				
<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Partnership _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> Personal service corporation _____ <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government _____ <input type="checkbox"/> Church or church-controlled organization _____ <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military _____ <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal government/enterprise _____ <input checked="" type="checkbox"/> Other (specify) ▶ <b>4-H Clubs &amp; Affiliated 4-H Organizations</b> Group Exemption Number (GEN) if any ▶ <b>2704</b>				
9b If a corporation, name the state or foreign country (if applicable) where incorporated		State SKIP	Foreign country SKIP	
10 Reason for applying (check only one box)				
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Created a pension plan (specify type) ▶ _____ <input checked="" type="checkbox"/> Other (specify) ▶ <b>Starting 4-H Club or Starting 4-H Organization</b>				
11 Date business started or acquired (month, day, year). See instructions.		12 Closing month of accounting year		
13 Highest number of employees expected in the next 12 months (enter -0- if none).		14 Do you expect your employment tax liability to be \$1,000 or less in a full calendar year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If you expect to pay \$4,000 or less in total wages in a full calendar year, you can mark "Yes.")		
15 First date wages or annuities were paid (nonresident alien (month, day, year) _____		If applicant is a withholding agent, enter date income will first be paid to (usually skipped)		
16 Check one box that best describes the principal business.				
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input checked="" type="checkbox"/> Other (specify) <b>Education</b> <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail				
17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided. <b>Youth Development and education</b>				
18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No				

Fill in all fields as needed, or per the tips provided

Your club name should be specific either through a unique name or by identifying the county as well. EXAMPLES: Share-N-Win 4-H Club (unique name); Calvert County 4-H Horse Club (generic name with county)

This is typically "yes"

These entries are typically "0"

**This is a SAMPLE SS-4 form for those 4-H CLUBS & AFFILIATED ORGANIZATIONS applying for an EIN and wishing to be included under the National 4-H Group Exemption.**

**Questions?**  
Contact National 4-H Headquarters, USDA at (202) 720-2908 or 4-H\_tax\_info@csrees.usda.gov, or visit <http://www.national4-hheadquarters.gov>

Third Party Designee

Complete this section only if Designee's name \_\_\_\_\_  
Address and ZIP code \_\_\_\_\_

Under penalties of perjury, I declare that I have examined this application and all the information and statements provided herein and certify that the information is true and correct.

Signature ▶ \_\_\_\_\_

the completion of this form.

Designee's telephone number (include area code) \_\_\_\_\_

Designee's fax number (include area code) \_\_\_\_\_

Designee's telephone number (include area code) \_\_\_\_\_

Designee's fax number (include area code) \_\_\_\_\_

