

Oklahoma Cooperative Extension Service

Oklahoma 4-H

Treasurer's Record Book

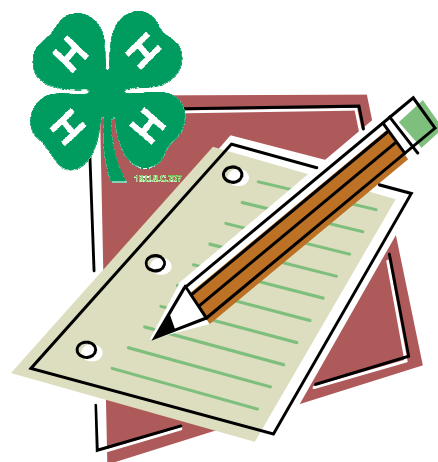


Revised June 2008

About This Guide

This guide has been written primarily for the youth treasurer in mind. The principles and procedures are also applicable to funds handled by our adult 4-H affiliate groups. In some situations information is presented as a guiding principle, other times it may be a policy, or in some cases as a legal fact. If you do not understand some part of the guide you should seek the advice of your county Extension personnel. Ultimately the Extension office is responsible for all funds raised, collected or donated in the name of 4-H.

Source-This manual was adapted from the Michigan 4-H Treasurers Record Book (9/2003) and the March 2005 revision titled Treasurer's Record Book for MSU Extension Sponsored Groups (3/2005), Michigan State University Extension.



How to Use this Guide

For the protection of youth and adult treasurers serving a 4-H organization, following the steps outlined in this guide provides adequate tracking and documentation of all financial transactions. When you need to complete a form, make a photocopy of the form included in the Appendices and follow the directions for completing the form. Do not hesitate to ask questions.

As a Club Officer

As the treasurer, you and all the other officers are representatives of your 4-H club. You represent your club, Oklahoma 4-H, and the Cooperative Extension Service. Your skills, abilities, standards, ideals, speech—and even smiles—represent Oklahoma 4-H'ers. Representing others is one of an officer's most important responsibilities because it exists at all times—not just while you are at a 4-H meeting.

The Adult Partner's Role

Your role is mentor. Your purpose is to help the treasurer learn management skills. In doing so, you assume responsibility for helping the treasurer and other club members in developing and practicing appropriate financial practices as described in this guide. Some of your specific duties include:

- Going to the bank with the approved officers to update the signature card annually or as officers change.
- Assisting the treasurer in completing the monthly report.
- Annually providing a financial summary for your club, which will be filed in the county Extension office.

- Advise the officers and members as needed, but keep in mind that the money belongs to the club not you or any one individual.
- Seek advice and support as needed to assure that funds are handled properly.

About Being the Treasurer

The treasurer is responsible for taking care of the club's money and bank accounts. This responsibility requires honesty, integrity and cooperation with your club's members and leaders.

The Treasurer's Responsibilities

Check the following items to verify that you understand and accept these responsibilities:

- I will inform the bank in which my club's funds are deposited that I am the new treasurer, present proper documentation that I hold the office and sign the appropriate forms so I can write checks drawn on the account.
- I will handle all money matters for my 4-H club.
- I will keep an accurate record in the treasurer's book or on an electronic accounting system of how all money is received and used.

- I will deposit all funds that my club earns or receives in the bank as soon as possible after receiving them.
- I will pay all of the club's bills promptly as budgeted or as directed by the members and approved by the president.
- I will prepare and present a summary of income and expenses at each meeting. I will also report the current balance of all accounts.
- I will complete the Annual Summary Financial Report (page 18-19) at the end of the club year and submit the report to my county Extension office.

Handling Money

4-H clubs are public groups, open to all, without regard to race, color, national origin, gender, disability, religion or age. The money clubs receive from fees, bake sales and other fund-raising events is owned by the club, not by any one member or leader of the club. Because 4-H is a public organization, it is not "owned" by individuals the way a company is owned. Instead, 4-H is owned by the public. Therefore, the responsibilities of the 4-H club treasurer are quite different from those of the treasurer of a private company.

A treasurer in a privately owned company is responsible to the other officers of the company and to the owners or stockholders for managing and controlling the assets of the company. These assets include cash, bank accounts, buildings, land and equipment. The treasurer of a 4-H club is responsible not only to the other members, but also the adult volunteers and the public. Most clubs only have cash or bank accounts to manage, rather than land, buildings and equipment.

You're in charge of "keeping the books," that is, your club's receipt book, checkbook and check register, payment vouchers and bank statements. The public calls for a higher standard of accountability and integrity for public groups. You can meet the high standards required of a 4-H club treasurer by studying and following the money handling methods found in this treasurer's book. These standards apply whether a group has 25 cents or \$2500 in the treasury.

Conflicts may arise if money is not handled carefully and accurately. You can protect yourself and your 4-H club from conflict by being careful, responsible and accurate when handling the club's finances.

Receipts

When you receive money from club fees or a fund-raising activity, you must always write a receipt for it. Writing a receipt takes a little time, but it helps protect your creditability. Without a receipt there is no way to prove that your 4-H club received a specific amount of money or that you handled it correctly.

Your 4-H club should have a receipt book with pre-numbered, two-part receipts. They are available from many office supply stores. If you make a mistake and have to void a receipt for any reason, mark both copies "VOID," staple them together and keep them with the treasurer's records. (See fig. 1 for a sample receipt.)

No. 1799	
Received	
From	<u>Mary White</u>
For	<u>Candy Sales</u>
By	<u>Tom Jones</u> <u>\$25.00</u>
Give white copy to customer	
Keep pink copy.	Date <u>3/3/09</u>

Figure 1. Sample receipt.

Receipts for Fees

There are no "Membership Dues" in the Oklahoma 4-H program; however, clubs may elect to assess fees for certain events or club functions. For example: your club may choose to assess each member a fee for insurance for the entire year or to underwrite the cost of a field trip, awards, project supplies, or other club functions. You don't need to write an individual receipt for each person paying dues or fees. Just fill out the "Fees Form" (on page 15), total the amount of

Fees Form												
Activity/Project <u>Food Science Project Group</u>							Amount of Fees to be Paid <u>\$3.00</u>					
Members Name	Date and Fees Paid											
	9/25	10/2	10/8	10/15	10/22	10/29	11/5					
Mike Brown	3.00	3.00		3.00	3.00		3.00					
Martha White		3.00	3.00	3.00		3.00	3.00					
Randy Wright	3.00	3.00	3.00	3.00	3.00	3.00	3.00					
Terry Thomas	3.00	3.00	3.00	3.00	3.00		3.00					
Linda Long	3.00		3.00	3.00	3.00	3.00	3.00					
Total	12.00	12.00	12.00	15.00	12.00	9.00	15.00					

Figure 2. Sample fees form

fees paid for the meeting and write one receipt for the total amount. On the receipt, write "club members" on the "Received" line and "Fees Received and the meeting date" on the "For" line (see figs. 2 and 3).

No. 1800	
Received	
From	<u>Food Science Members</u>
For	<u>Project Club Supplies</u>

By	<u>Tom Jones \$12.00</u>
Give white copy to customer	
Keep pink copy.	Date <u>9/25/09</u>

Figure 3. Receipt for fees.

Receipts for Money from Fundraisers

If your 4-H club holds a fund-raiser such as a bake sale or car wash, you don't need to write a receipt for each person buying a cookie or having his or her car washed, but you (or the shift leader) need to write one at the end of each shift or at the end of the day. Each group of workers must account for the money they have received.

Two people should count the money, agree

No. 1801	
Received	
From	<u>Martha White and Linda Long</u>
For	<u>Car Wash - July 17, 2009</u>
	<u>2nd Shift</u>

By	<u>Tom Jones \$ 22.50</u>
Give white copy to customer	
Keep pink copy.	Date <u>9/17/09</u>

Figure 4. Receipt for money received from a fundraiser

on the amount and turn the money over to you. It's a good idea for you to verify the amount (recount the money) in the presence

of the people giving you the money. Then give them a receipt for the amount they gave you (see fig. 4)

Non-cash Donations

A club should acknowledge noncash donations (consumable donations of supplies or miscellaneous items) in writing to the donor. Keep a copy of the acknowledgement with your treasurer's records. Accept non-consumable donations such as equipment only if the club is prepared to accept the responsibility of ownership, maintenance and insurance. The IRS requires a specific written set of documents be completed by the donor and the donee if a noncash gift is valued at \$5000 or more. See page 7 for more detail.

Bank Deposits

Before you deposit a check, to whom it is payable must endorse (sign) the back of it. Checks that are made payable to the club must be endorsed by signing the club name (as written on the check) and the treasurer's name. If someone writes a check payable to you that is intended for your 4-H club, endorse it by writing "Pay to the order of (your club name)" and sign it. If your club handles large numbers of check, you may want to have a rubber stamp (see fig. 5) made with the club name and account number on it to save you time (and wear and tear on your writing hand).

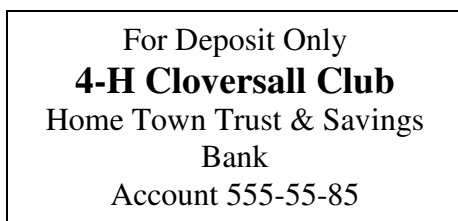


Figure 5. "For Deposit Only" rubber stamp.

Keep these things in mind when making deposits:

- Endorse checks immediately when you receive them.
- Deposit all funds promptly. If your club receives more than \$10 at any time, deposit the money within three days.

Preparing Deposits

Total the receipts you have written since you made the last deposit and compare that amount with the amount of cash, coins and checks you intend to deposit. The two figures should agree.

If the figures don't agree, repeat the process. When the two figures do agree, prepare a deposit ticket or slip similar to figure 6. If your club has a checking account, there is usually a supply of deposit slips at the end of each pad of checks. You also can pick up one in the bank lobby or request one from a bank teller.

Follow these steps when filling out a deposit ticket or slip.

1. Date the deposit slip.
2. Fill in the amount of currency (bills) and coins you are depositing.
3. List each check number and its amount separately (use the back of the deposit slip, if necessary).
4. Record the deposit in the checking account register (see sample 9 on page 7).
5. Complete a duplicate of the deposit slip, and keep the duplicate with the bank receipt.
6. On the bank receipt circle the amount and write the source of funds deposited directly.

Deposit Ticket		
4-H Clover Club		
Date	<u>9/26/09</u>	
<u>Tom Jones</u>		
Sign here for cash received.		
Home Town Trust and Savings Bank		
107300020 000555585		

Currency	22	00
Coin		50
Checks	12	00
Total from other side		00
Sub-Total	34	50
Less Cash Received		00
Total Deposit	34	50

Figure 6. Sample deposit ticket or slip.

Approving and Paying Bills

Part of your treasurer's report is asking for and receiving the club members' approval to pay the club's outstanding bills. After the members approve paying the bills, write a check for the approved amount for each bill.

The usual way to pay bills is with a check. Holding cash back from deposits and then using the cash to pay bills is **not** good practice, because it doesn't leave a record or provide proof of payment. A proper receipt protects your creditability as treasurer.

Check Request & Payment Vouchers

A check request or payment voucher is a form that records your 4-H club's approval to pay a bill. You should prepare a payment voucher before paying any bill. The form is signed by someone other than the person signing the check.

After a bill is approved prepare a check to pay it.

After you write a check to pay a bill, attach the invoice (bill) or receipt to the payment voucher and finish filling out the payment voucher (see fig. 7). Blank payment vouchers are found on page 14.

Checks

Follow these steps when writing checks.

1. Use ink.
2. Never erase a mistake. If you make a mistake, write "VOID" on the spoiled check and start a new one. Keep the voided check, don't destroy it.
3. Write the day's date on the check.
4. Start writing the name of the person or business to whom the check is payable as close to the "pay to the order of" as possible.
5. Leave as little space as possible between the figures and words when filling in the amount lines. This helps prevent

Payment Voucher		
<u>4-H Clover Club</u> 4-H club name		
Date: <u>9/24/09</u>		
Pay to: <u>Homeland Grocery</u> (Copy of bill or statement must be attached.)		
Items Purchased:	Project:	Amount:
Food	Club Picnic	\$25.00
<u>Mike Brown</u> Club president's signature		Date: <u>9/24/09</u>
<u>Martha White</u> Club secretary's signature		Date: <u>9/24/09</u>
Check number: <u>1152</u>		Date: <u>9/24/09</u>
By: <u>Tom Jones</u>		

Figure 7. Sample payment voucher

someone else from changing a \$1 check, for example, into a \$100 or \$1000 check.

6. Begin writing the amount at the extreme left of the amount line. Be sure the written amount agrees with the numeric amount. Avoid writing checks for less than \$1, but if you have to, start the "Amount" line by writing the word "Only" and then the amount.
7. Sign the check with your authorized signature, the same way you signed the signature card at the bank when you

4-H Clover Club		1152
PAY TO	<u>9/24 2009</u>	33-22/730
THE ORDER OF	<u>Homeland Grocery</u>	\$25.00
<u>Twenty five & 50/00</u>		DOLLARS
Home Town		
Trust & Savings Bank		
PURPOSE	<u>Picnic</u>	<u>Tom Jones</u>

Figure 8. Sample check

Checking Account Register								
Record All Charges That Appear On Your Statement								
Number	Date	Description	Payment/Debit (-)	T	Fee (If any) (-)	Deposit/credit (+)	Balance	
							50	.75
1152	9/24	Homeland Grocery	25.50				25	.25
---	9/26	Deposit				34.50	59	.75
---	9/26	Statement Fee			3.00		56	.75

Sample 9. Sample Check Register

became treasurer. One of the two adults listed on the account must also sign each check.

- Use the memo line and write a short description of the purpose of the check.
- If a blank check or one written on the club's account is lost, notify the customer service department of the bank at once.

Maintaining the Check Register

Today there are computer software programs (such as Quicken and Quick Books) to help make bookkeeping easier. The reports printed by these accounting methods are acceptable for monthly and annual reports to the club and Extension office. However if you work without computer assistance, follow these steps.

- Write the check number and the date it was written in the appropriate columns.
- In the "description of transaction" column, write to whom the check was made payable.
- Enter the check amount in the "payment/debit" column and in the balance column. Then subtract the check amount from the account balance on the line above and enter the new balance.
- You can use the "T" column at the end of each month when you reconcile the account against the bank statement. Use this space to check off the checks and deposits that have cleared the bank (this information comes from the bank statement or the checks that have been returned to you).
- The "Fee, if any" column is the place to list any fees the bank has charged your club for cashing or purchasing checks or for preparing an account statement. Fees

(service charge) will appear on the bank statement. Enter the fee amount and subtract it from the account balance and record the new balance.

- Record the amount of any deposits in the "deposit/credit" column. Then add the deposit amount to the account balance on the line above and record the new account balance straight across.

The Treasurer's Report

The treasurer's report informs members of the club's financial activity for the past month. After you complete a copy of the "Monthly Treasurer's Report" (see sample 10), circulate a copy of the report and the club's bank statement. Then present for the club's approval the bills to be paid in the next month. Blank report on pg. 17.

After the club has reviewed your treasurer's report and verified that it is reconciled with the bank statement, a member moves to accept the treasurer's report, the motion is seconded and the club votes on the motion. If the motion is approved, the secretary enters a copy of the treasurer's report into the minutes. The secretary/treasurer keeps the bank statement, payment vouchers, annual summary financial reports and all receipt books in the club's permanent records

Guidelines for Clubs *WITHOUT* Checking or Saving Accounts

Some clubs operate without checking or savings accounts. Even without a bank account, clubs must follow certain guidelines.

Club money should never be put/co-mingled in someone's personal account.

Clubs without bank accounts must follow the same bill paying system as clubs with bank accounts. The difference is that you will purchase money orders or cashier's check from a bank to pay bills instead of using the club's own checks.

Another difference is that your monthly treasurer's report leaves out the bank account reconciliation. You'll also use the "Record of Club Finances" (see sample 11) instead of a check register. All other financial rules and guidelines for clubs with bank accounts apply to clubs without bank accounts. Blank form on page 16.

1. In the "date" column, write the date the transaction took place. In the "For What Purpose" column, write to whom the payment was made.
2. Enter the cashier's check, money order or cash payment amount in the "Amount" column. Then subtract the amount of the payment from the remaining balance on the line above and enter the new balance.
3. Fees for purchasing checks or money orders should be listed in the same manner as any other payment. Subtract the fee amount from the balance on the line above.
4. When the club receives money, record the amount in the "From What Source" column. Enter the amount received in the "Amount" column and add the amount to the balance on the line above and enter the new balance.

4-H Clover Club	
Club name	
Monthly Treasurer's Report	
1. State the beginning balance:	
Date: <u>9/1/09</u>	Balance: \$ <u>50.75</u>
2. Indicate money received:	
amount \$ <u>12.00</u> for what purpose <u>Food Science Group</u>	
amount \$ <u>22.50</u> for what purpose <u>Car Wash</u>	
amount \$ _____ for what purpose _____	
Total received: \$ <u>34.50</u>	
3. State the expenses:	
\$ <u>25.50</u> to <u>Homeland Grocery</u>	
for what purpose <u>Picnic</u>	
\$ <u>3.00</u> to <u>Hometown Bank</u>	
for what purpose <u>Fee</u>	
\$ _____ to _____	
for what purpose _____	
Total expenses: \$ <u>28.50</u>	
4. Indicate closing balance:	
Date: _____	Closing balance: \$ <u>56.75</u>
If the club has a checking account, do the following:	
Add back checks that haven't shown up on the bank statement plus <u>0</u>	
Subtract deposits not showing up on bank statements minus <u>0</u>	
Adjusted balance should agree with bank statement equals <u>56.75</u>	
Include clear copy of bank statement that agrees with the total adjusted balance, directly above.	
Prepared by: <u>Tom Jones</u> <small>Club treasurer's signature</small>	Accepted by: <u>Mike Brown</u> <small>Club president's signature</small>
Date: <u>10/1/09</u>	Date: <u>10/1/09</u>

Sample 10. Monthly Treasurer's Report.

4-H Funds in School Activity Accounts

In some communities, where 4-H is closely afflicted with the public school, funds may be handled through a school activity account. While this does provide a good accounting system there are often more steps needed to

Record of Club Finances					
Cash Received			Cash Paid Out	Balance	
Date	From What Source	Amount	For What Purpose	Amount	Balance at end of each entry
	<i>Balance Carried Over</i>				50.75
9/24/09			Homeland Grocery	25.50	25.25
9/24/09			Money Order Fee	1.00	24.25
9/26/09	Deposit	34.50			58.75

Sample 11: Record of Club Finances

deposit and spend funds, as the school's accounting guidelines and policies of the school district must also be followed.

In some cases, there may be guideline conflicts with how funds are expended, especially if the club is dissolved, or if fundraising is done. Before placing club funds in a school activity account, be sure to consider the pros and cons of this arrangement.

It should be noted that any group or individual that collects funds under the name of 4-H must follow the federal "name and emblem" use guidelines which are available online at: http://www.national4-headquarters.gov/4h_name.htm

Completing the Annual Summary Financial Report

Note to leaders: The Oklahoma 4-H Youth Programs is part of Oklahoma State University and Langston University Cooperative Extension Service, which as its name suggests, is part of the Land-Grant University System. That's one reason why it's important that volunteers effectively manage public funds raised as a part of the activities of the 4-H club, council, committee, foundation, PVA, or other related organization. The other reason is that we're

working with and trying to set a good example for kids.

The Annual Summary Financial Report (see sample 12 on pg. 10) fulfills several needs: It creates an open public record of each group using the 4-H name and emblem, and it fulfills the audit concerns of Oklahoma State University. The Annual Summary Financial Report is how Extension-related organizations help the university fulfill its obligation of fiscal accountability to the residents of Oklahoma. While an OSU auditor generally does not do an annual audit, that person will check to see that reports are on file in the office and are being reviewed annual by the county staff, hopefully with the assistance of qualified volunteers.

The Annual Summary Financial Report is due to your county Extension office by June 30 of each year. (Blank form pg. 18-20) If a club chooses to keep their records electronically use page 20 to prepare the annual report. Even if your club doesn't handle any money during the year, you must still submit this report. Just mark 0's in the blanks, sign and date the form, and turn it in. The report also can be adapted for use as a monthly Treasurer's Report if your club wishes. Take a few minutes to read the directions that follow to see what information you need to gather before you begin.

**DETAILED CASH RECORD OF THE Clover 4-H CLUB
AND
ANNUAL Summary Financial Report**
(Submit by June 30 each year to County Extension Office)

The cash record is kept by the Treasurer, and is a detailed account of all the cash received (income) or paid out (expenses) of the 4-H Club Treasury, such as payment of: purchase of equipment or materials, sale of tickets/receipts, and payment of transportation.

The 4-H Clover Club 4-H Club Savings/Checking Account is at the Hometown Bank.
(Name of Account) (Name of Institution)

The account number is 555-55-85. Club's Employment Identification Number 123456
(Account Number)

Club funds should be banked in the name of the 4-H Club. Two persons' signatures should be used to authorize a check or to draw against the account(s). The signatures will usually be the organizational leader, assistant leader or Club Treasurer. This suggestion is made in order to obtain security of club's funds and to give access to the club's funds in case the organizational leader is called away or unable to sign checks. This record, or a copy of it, should be transferred from one organizational leader to another as the leadership of the club changes; from one club treasurer to another as the office changes. Checks should not be made out to cash. All funds collected should be deposited. All disbursements should be by check only with a receipt to document each expense.

REPORTING PERIOD FROM 7 / 1 / 04 TO 6 / 31 / 09

Date	Check No.	Item/Explanation/Description	Income	Expenses	Balance
9/1/09					50.75
9/24/09	1152	Homeland Grocery		25.50	25.25
9/26/09		Car Wash Deposit	22.50		47.75
		Food Science Group Deposit	12.50		59.75
9/30/09		Statement Fee		3.00	56.75

Signatures on Accounts Tom Jones David Rogers

Indicate whether one or both signatures are required Both required One required

I have personally prepared this record and believe it to be correct.

Tom Jones 1/1/09
Signature of Club Treasurer Date

I have reviewed this record and believe it to be correct.

David Rogers 10/1/09
Signature of Organizational Leader Date

Sample 12: Annual Summary Financial Report

Important Financial Reporting Information

Note to 4-H parents and leaders: You should become familiar with the information in this section to help your club treasurer with the required forms and financial reporting.

Financial Guidelines for Oklahoma 4-H Clubs

Under U.S. Department of Agriculture and Oklahoma State University guidelines, the county Extension office is required to keep track of all transactions related to finances in 4-H clubs. It's extremely important that all 4-H clubs show the source of any money they have raised and how it is disbursed.

Clubs do not pay county, state or national membership dues. Local clubs may choose to raise money for their club goals through fund-raising or fees or both. A club treasury is optional but necessary if funds are maintained for club use. Fund-raising should be done for the good of the total group and should be consistent with the county 4-H fund-raising policies. Fund-raising should not be the main focus of group activities nor exclude any individual from participation. 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. The following guidelines are in effect to help clubs fulfill their responsibilities for handling funds:

Every club that has a checking or savings account is required to have an Employer Identification Number (EIN). 4-H clubs with money in a bank need to apply for EIN from the Internal Revenue Service. Be sure to put "4-H" as the first word of your club name on the form and on your club bank accounts. This will speed up the application process and help ensure that the IRS grants your club nonprofit status. If a 4-H club has not already obtained an EIN from the IRS:

1. Go to <http://www.irs.gov>
2. Click on EIN and complete form SS-4
3. On the form use the number **2704** as the **GEN** number. (revised 5/2007)

An EIN number does not equate at all to tax status; it is an identification number only. However, once it is reported to the IRS by an Extension official, the club is posted on the IRS list of exempted clubs. (revised 5/2007)

Once a number is obtained it must be reported to the State 4-H Office. The number, club name and leader contact information will then be reported to National 4-H Headquarters who will in turn file all necessary information with the IRS – **Do NOT CONTACT THE IRS DIRECTLY!**

All clubs are required to file an annual 990 report if requested to do so by the IRS. If a club raises more than \$25,000 annually there is added reported requirements and assistance should be sought through the county Extension office. Revised 8/2008

4-H groups are not exempt from paying tax on purchases, they are just exempt on having to collect and remit sales tax on items being sold as part of the fundraising. Revised 8/2008

- The club treasurer should use the forms in the **Oklahoma 4-H Treasurer's Record Book, or an electronic accounting system** to show cash received, where the money came from and payments made, complete with check number, date and purpose. If the club does not have a checking account but does have a savings account, checks should be purchased from a bank or credit union. For the treasurer's protection, copies of these checks are to be recorded and maintained.
- Payments should be made only in response to a formal written bill or invoice. The itemized invoice, clearly stating what was billed, with the check number and date of the check on it, will become a permanent part of the treasurer's records. This practice is very important to protect the treasurer's creditability.
- Clubs are strongly encouraged to prepare a budget for the year. A budget is a written plan for raising and spending money for a set period of time, usually one year. Since the members of the club approve a budget, it's not necessary to seek approval for payment of items already listed in the budget. If a club doesn't have a budget or items arise that are not part of the budget, each item needs to be presented to the members for approval before payment. This accomplishes two things. First, all expenditures of the club funds are

made with the full approval of the club. Second, this is a great way for the club members to learn how money flows into and out of an organization.

- All money received should be acknowledged with a written receipt, preferably pre-numbered. The receipt should include the source of the funds (such as a car wash or book sales), the date, and if possible, the name of the person making the payments. These receipts are the back-up documentation for any bank deposits made. The receipts should also become a permanent part of the club records.
- All bank statements, receipts, canceled checks, checkbooks, savings account books and the **Oklahoma 4-H Treasurer's Record Book** must be submitted to your county Extension office **if and when** requested by Extension staff. The 4-H Educator or county Extension director (CED) can request periodic audits and have financial reports submitted annually to the Extension office for review.
- Each club should require at least two adult leaders' names and the youth treasurer's name to be on the bank account (**with neither adult leader being the parent of the treasurer**). Two signatures will be required on each check issued. **No 4-H staff member's signature may appear on any 4-H account belonging to a 4-H club.**
- All fund-raising activities should be reviewed and approved by the Extension Educator or CED before the event. All money raised using the 4-H name must be used only for 4-H activities. Because these funds are publicly accountable, they must not be used in any way to enrich individuals. This means that money may not be given out to individual club members or others, but must be used to pay for educational programs, activities, workshops or 4-H club supplies. **Money may be transferred to fund county, state or national 4-H programs.**
- Non-cash donations to clubs (for example, consumable donations of supplies or miscellaneous items) should be acknowledged in writing to the donor. A copy of acknowledgment must be kept in the club treasurer's records. No consumable donations such as equipment or animals should be accepted only if the club is prepared to accept the responsibilities of ownership including care, maintenance and insurance. Written acknowledgment should be sent to the

donor and a copy must be kept in the club treasurer's records. The Internal Revenue Service requires that the donor and the organization receiving the gift if a non-cash gift is valued at \$5000 or more complete a specific set of written documents. In such a case, consult a qualified attorney. Valuation of a non-cash donation is the responsibility of the donor, in consultation with his or her tax advisor and individuals qualified to appraise items of this type. It is not appropriate for a 4-H group, staff member or volunteers to place a value on items donated. Donors cannot specify the individual recipient of cash or non-cash donations. Clubs should not feel compelled to accept non-cash gifts. The Extension educator responsible for 4-H Youth Programs should be contacted whenever the club has questions about the appropriate action with respect to accepting and managing any donation.

- Clubs who plan to apply for grants, receive donations, etc, must file with the IRS to be recognized as an exempt organization. All clubs that meet 4-H Chartering criteria can be added to the IRS list by an OCES official writing to the IRS. (revised 10/20/05)
- Clubs may not use the State 4-H Office, Foundation, or OCES tax-number when making educational purchases for club use. In Oklahoma, schools are automatically exempt, so if items are being purchased have a sizable amount of tax on it, contact the Extension office to determine if it would be appropriate to make the purchase through the office's agency account rather than by the local club.
- Sales Tax—Title 68, Section 1356, No. 14 of the Oklahoma Tax Code exempts from sales tax those purchases made for the purpose of raising funds for 4-H activities. Clubs that plan to do significant amounts of sales should apply for a "tax exemption permit" card with the Oklahoma Tax Commission. This card will allow you to make exempt purchases but does obligate the club to make regular report of transactions, even those that are exempt.
- Any 4-H that disbands with money left in its account must remit those funds to the county PVA, Foundation, 4-H council or county Extension office. All property belonging to the club must be disbursed of in the same manner. Club members may request that the money be used for a specific 4-H program within the club, county or state. This request will be acted on by the county 4-H PVA in concert with the Extension staff responsible for

4-H Youth Programs at the time the club is dissolved. If a club divides, creating more than one charter club, the funds from the original club must be evenly disbursed, based on membership, in each club. Because the funds are public not private they cannot simply be divided among the members. Funds could however be used to provide member support for 4-H functions after a vote of the membership.

- The Extension staff responsible for 4-H Youth Programs must investigate the disbursement of 4-H funds by any club if 4-H members or parents make a complaint. Issues of this nature can be avoided by following these guidelines. Concerns can be settled quickly if clubs have kept their books up-to-date and have followed these guidelines. When irregularities are discovered, the staff will report those to their appropriate supervisors and legal action will be taken as necessary.
- Clubs that don't have treasuries and don't handle any money, need to mark 0's on the Annual Summary Financial Report, sign and date the form, and return it to the county Extension office by June 30 of each year.

Some common questions:

Some common questions about Oklahoma sales tax and how it relates to Oklahoma State University Extension-related organizations are answered in this section.

1. I thought Extension and 4-H were exempt from sales tax.

When a 4-H club, PVA or foundation buys something for its 4-H programs, it doesn't pay sales tax or remit tax, **IF** they have applied for a tax-exempt card. If your club does not have a card (number) you are responsible for paying the tax on items you purchase.

Title 68, Section 1356, No. 14 of the Oklahoma Tax Code exempts from sales tax those purchases made for the purpose of raising funds for 4-H activities. Clubs that plan to do significant amounts of sales should apply for a "tax exemption permit" card with the Oklahoma Tax Commission.

Generally there is a break-even amount that needs to be considered when applying for exemption. If you do not plan to purchase at least \$300 annually for re-sale it is not cost effective to apply for the card and do the reports.

4-H groups do not have to collect and report sales tax on items sold as fund raisers. (revised 10/20/05)

2. Do kids have to pay sales tax when their project animals are auctioned off?

Yes, the seller is currently obligated to pay tax on the sale or premium collected over \$600. The 4-H member can claim the expenses involved in raising the animal using a Schedule F. The entity that conducts the premium sale is responsible for providing a 1099. The buyer can only count, as a contribution the amount above fair market value if they take possession of the animal. The complete amount can be claimed if possession is not taken. (revised 10/20/05)

3. If our club holds a bake sale, a candy sale, a craft sale or a car wash to raise money, do we have to collect and pay sales tax on the proceeds?

No.

4. Is there sales tax if we raffle off something or hold a drawing?

No, however if the prize is worth \$600 or more a 1099 must be provided to the winner and reported to the IRS. (revised 10/20/05)

Games of Chance are allowed by state law and under certain circumstances can be used to raise operating funds for groups and organizations. However, raffles are not sanctioned by National 4-H Headquarters in Washington DC. (5/18/07)

5. If we're not sure whether something our club is doing is taxable, what should we do?

Generally, the very simplest thing to do is to go ahead and pay the tax. Check with your county Extension office, but keep in mind that 4-H is supported in part by tax dollars so you are indirectly supporting the program if you're paying sales tax and generally it will not make a significant difference in your margin of profits. Usually it's easier to raise the price of something enough to cover the tax than to worry about it.

If you have any questions or concerns about sales tax issues, contact your county Extension office.

Fees Form

Activity/Project:: _____ Amount of Dues to Be Paid _____

Member's Name	Date and Fees Paid											
Total												

Please photocopy as needed

Record of Club Finances

Cash Received			Cash Paid Out		Balance
Date	From What Source	Amount	For What Purpose	Amount	Balance at end of each entry
Total					

Please photocopy as needed

Please photocopy as needed

_____ Club name

Monthly Treasurer's Report

1. State the beginning balance:

Date: _____ Balance: _____

2. Indicate money received:

amount \$ _____ for what purpose _____

amount \$ _____ for what purpose _____

amount \$ _____ for what purpose _____

Total received: \$ _____

3. State the expenses:

\$ _____ to _____

for what purpose _____

\$ _____ to _____

for what purpose _____

\$ _____ to _____

for what purpose _____

Total expenses: \$ _____

4. Indicate closing balance:

Date: _____ Closing balance: \$ _____

If the club has a checking account, do the following:

Add back checks that haven't shown up on the bank statement **plus** _____

Subtract deposits not showing up on bank statements **minus** _____

Adjusted balance should agree with bank statement equals _____

Include clear copy of bank statement that agrees with the total adjusted Balance, directly above.

Prepared by: _____ Accepted by: _____

Club treasurer's signature

Club president's signature

Date: _____ Date: _____

Please photocopy as needed

DETAILED CASH RECORD OF THE _____ 4-H CLUB

Annual Summary Financial Report for Electronically kept Club Financial Records

(Submit by June 30 each year to County Extension Office)

The cash record is kept by the Treasurer, and is a detailed account of all the cash received (income) or paid out (expenses) of the 4-H Club Treasury, such as payment of: purchase of equipment or materials, sale of tickets/receipts, and payment of transportation.

The _____ 4-H Club Savings/Checking Account is at the
(Name of Account)

_____. The account number is _____.
(Name of Institution) (Account Number)

(Club's Employer Identification Number)

Club funds should be banked in the name of the 4-H Club. Two persons' signatures should be used to authorize a check or to draw against the account(s). The signatures will usually be the organizational leader, assistant leader or Club Treasurer. This suggestion is made in order to obtain security of club's funds and to give access to the club's funds in case the organizational leader is called away or unable to sign checks. This record, or a copy of it, should be transferred from one organizational leader to another as the leadership of the club changes; from one club treasurer to another as the office changes. Checks should not be made out to cash. All funds collected should be deposited. All disbursements should be by check only with a receipt to document each expense.

Please attach this form to computer printout or ledger of detailed record of income and expenses (receipts and disbursements).

Signatures on Accounts _____

Indicate whether one or both signatures are required ___ Both required ___ One required

I have personally prepared this record and believe it to be correct.

Signature of Club Treasurer

Date

I have reviewed this record and believe it to be correct.

Signature of Organizational Leader

Date

