

# Muskingum County 4-H Club Financial Management



*Updated 2024*



**THE OHIO STATE UNIVERSITY**  
EXTENSION



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## 4-H Club Financial Accountability

Ohio 4-H clubs are authorized by the OSU Extension Office to use the 4-H name and emblem. In return, Ohio 4-H clubs must agree to conduct their business in accordance with federal, state, and local laws and The Ohio State University policies. This privilege brings a degree of accountability – to the USDA, The Ohio State University, and the local community served by the 4-H club. OSU Extension staff and 4-H clubs work in partnership to ensure guidelines are followed.

Funds must be given and used for educational purposes and accounted for efficiently and responsibly. Accurate financial and non-monetary asset management is critical for Ohio 4-H clubs regardless of the amount of money a club has or the value of items the club owns.

## Tax Exempt Status

- Each 4-H club must have an Employer Identification Number (EIN), issued by the IRS. The EIN number is permanently connected to the club and its official name. The official club name should not be changed, so careful thought should be given during the original application process.
- A copy of the IRS Assignment letter listing the club's EIN should be kept in the *Financial Records Binder*. Submit a copy of the letter to the OSU Extension Office. County staff will file IRS Form 990N ePostcard by May 15 each year for each club.
- The official club name and EIN must be linked to Ohio State's group exemption number assigned by IRS to The Ohio State University for federal tax-exempt status. Clubs are required to submit a 4-H Group Tax Exempt Authorization Form to the Extension Office and should keep a copy of this form in the *Financial Records Binder*.

## Account Guidelines

- Club accounts should be checking accounts; savings accounts should not be used.
- Find a bank that will allow the 4-H club to have a no-fee checking account. Clubs should not have to pay fees for a checking account.
- Checking accounts must be established in the official club name.
- Signatory guidelines:
  - \* Two to three individuals should be on the account.
  - \* Must not all be immediate family members or in the same household.
  - \* Must be approved 4-H volunteers and members, as permitted by the financial institution. Some banks have implemented policies that do not allow youth less than 18 years old to sign checks. In this case, the club treasurer can assist with other financial management tasks.
  - \* Need to be updated each time club leadership changes. People who end volunteer service should not remain on accounts.
- Bank statements should be sent to a 4-H club volunteer, preferably someone who does not have the authority to sign checks. After review for the correct number of deposits, expenses and balance, statements should be filed in the club's *Financial Records Binder*. If possible, clubs should include copies of cancelled checks in their records.
- Clubs are not permitted to have debit, ATM or credit cards.
- Clubs are not permitted to use digital wallet applications to make/collect payments (Examples: Venmo, PayPal, Apple Pay, Facebook Pay, etc.). Club money cannot be filtered through personal bank accounts or personal accounts on these applications. Any funds collected/dispensed must go through the group checking account.
- Clubs should have a minimum carry over from year to year. An acceptable year-end balance is enough money to cover one year of the club's typical operating expenses. Those who raise money should spend the money, unless there is a multi-year plan to spend a large amount of money on an activity or other expense. Money should be spent to maximize impact on all members of the club.

## Conducting Financial Business During Club Meetings

- All club expenses should be approved before a check is written. The 4-H club should develop an annual budget, approved by members and recorded in the minutes. A budget template can be found in the *Ohio 4-H Treasurer's Record Book*. Expenditures covered in an approved budget do not need a second approval unless there are changes to the approved expense. Any changes to the budget should be approved by the 4-H club and reflected in the meeting minutes.
- To conduct club financial business, 2/3 of the simple majority present of members in good standing from the club roster must vote positively on an item for the decision to stand (e.g. 20 members on the club roster, 11 members are present and 8 must vote positively).
- The 4-H club treasurer should have a written treasurer's report at each business meeting that can be reviewed by anyone upon request. A report template can be found in the *Ohio 4-H Treasurer's Record Book*. Documentation of the treasurer's report should be noted in the club's minutes, approved by the club members, and filed in the *Financial Records Binder* under the appropriate month.

## Fundraisers

- 4-H Clubs may choose to raise funds to conduct educational programs and activities. Do not let fundraising get in the way of positive youth development through fun learning experiences.
- Muskingum County 4-H Clubs should submit the Fundraiser Notification Form two weeks before the start of a fundraiser. Complete the form: [go.osu.edu/musk4hfundraiser](https://go.osu.edu/musk4hfundraiser).
- Have a specific educational purpose for raising and using the funds. Utilize the club's budget to determine how much fundraising is necessary. Always spend money on the intention it was raised. If the club advertises that funds raised will support X, make sure they do not end up supporting Y. If a club wants to donate funds or items to a non-profit organization that is not a 4-H/Junior Fair affiliate, they need to indicate proceeds or profits will be donated to that entity when advertising the fundraiser.
- Choice of words matters when promoting a fundraiser. "All proceeds will be donated" means all the money raised will be donated; whereas, "all profits will be donated" allows the group to cover any expenses of the fundraiser from the money raised.
- If charging club dues and/or activity fees, list the exact amount in the 4-H club bylaws and include how dues/fees will benefit the membership.
- Games of chance (e.g. raffles, lotteries, BINGO, etc.) are NOT permitted.
- Items may not be sold that have alcoholic beverages in them (e.g. silent auction with wine included). Gift certificates to a winery are permissible because the winery would be responsible for confirming age eligibility of the purchaser.
- Raising funds to give money to members is prohibited by the Ohio 4-H Club Constitution.
- Clubs can host benefits for individuals or families, but must advertise that funds raised will be used for that purpose. Funds from benefit events cannot be deposited into the club or group bank account. A bank would need to set up a benefit account that monies could be deposited into directly and the family have access to the funds.
- Some fundraisers are taxable according to Ohio tax law (e.g. pop/lemonade/tea or any non-food item such as apparel, plants, candles for an extended amount of time) and may require a vendors license. Refer to <https://tax.ohio.gov/business/ohio-business-taxes/sales-and-use-tax/registration> for the process of obtaining a vendor's license. Refer to the Ohio Revised Code 5739.02(B)(9)(a) for more information on tax exempt sales. **Fundraisers of taxable items such as candles, calendars, plants, apparel, or other non-food items that are 6 days or less do NOT need a vendors license, so clubs are strongly encouraged to sell these items for 6 days or less.**
- If the club will prepare and serve food as a fundraiser, one adult volunteer must complete Occasional Quantity Cooks Training every three years and email the completion certificate to the Extension Office. Details on the training can be found here: [muskingum.osu.edu/clubinfo](https://muskingum.osu.edu/clubinfo).
- Contact the Muskingum County Health Department (740-454-9471) for more information on local requirements for selling food.

## Spending Club Money

The following is a list of **acceptable ways** to spend money. This is not an exhaustive list but provides examples:

- Club events, including educational tours, workshops and speakers; meeting refreshments; recognition items/activities.
- Sponsoring/donating to 4-H or Junior Fair awards, activities or special projects.
- Purchasing booth, float, activity and meeting supplies.
- When voted on by members, club money may be utilized for camper fees paid directly to the Extension Office or for club sponsored items (t-shirts, project books, fair food stand vouchers, fair animal supplies, etc.), as long as all members/volunteers have the same opportunity to receive items.

The following is a list of **prohibited ways** to spend money:

- Alcohol, tobacco and fireworks
- Paying an individual (cash or gift cards) unless it is receipt of reimbursement for an approved club purchase OR pre-advertised with all members eligible for a scholarship or other competition. Qualifications must be in writing and voted on and approved by the club and included in the minutes. This includes giving members cash to spend at the fair.
- Political campaigns
- Trips or events that are not educational in nature.

## Record Keeping

Clubs should keep all materials in the *Financial Records Binder* provided by the Extension Office. An adult volunteer should be responsible for the binder and work with the treasurer to keep records updated.

- The pocket inside the front cover of the binder could be used to hold the club's checkbook, bills/invoices that have not been paid, etc.
- Clubs should file the following documents in the front of the binder before the monthly dividers:
  - \* IRS Assignment Letter;
  - \* Ohio 4-H Tax Exempt Authorization Form;
  - \* Current year approved budget;
  - \* Current year Ohio 4-H Financial Summary and Non-Monetary Asset List (printed copy from completed survey);
  - \* Current year completed club audit form;
  - \* Ledger, if a separate document is used beyond checkbook register.
- Clubs should file the following documents behind each month's divider tab:
  - \* Bank statement;
  - \* Club treasurer's reports;
  - \* *4-H Transaction Record* or *Request for Personal Reimbursement Form* for EACH transaction;
  - \* *Miscellaneous Fees Tracking Form* (or similar document) when collecting money from individuals.

**Record ALL transactions in the checkbook register or a separate ledger.  
Transactions should be recorded in a timely manner.**

## ***Managing Income***

- It is a best practice to write receipts for money received. Use of a multi-copy receipt is highly recommended. An alternative is to utilize the *Miscellaneous Fees Tracking Form* (or a similar document) and have the payee sign.
- Cash received should be counted by two unrelated persons. One person should prepare the deposit and one person should make the actual deposit. The person receiving the funds should not be the one who prepares the deposit.
- Deposit income (cash and checks) in one week or less.

## ***Managing Expenses***

- Groups should not keep cash on hand to pay expenses. All expenses should be paid with a club check.
- Write the purpose of the expenditure on the memo line of ALL CHECKS. Include the treasurer in the check writing process by allowing them to record the check information in the register and fill in the check detail. If a check goes uncashed for 60 days, contact the payee to check the status.
- Checks should never be signed without the payment amount listed on the check.

# **Annual Audit & Reporting Requirements**

## ***Club Level***

- The club's *Financial Records Binder* should be audited annually by a committee from the club. Refer to page 14 of the *Ohio 4-H Treasurer's Record Book* for details on this process. Clubs should keep record that an audit was conducted using a form like the one found on page 15 of the Treasurer's Record Book.
- Clubs should maintain a list of non-monetary club assets (equipment, supplies and materials owned by the club) and their estimated value in the *Financial Records Binder*.
- The Audit Committee should present their completed report at the next club meeting. Actions taken by the club should be reflected in the club's minutes.

## ***County Level***

- Clubs are required to provide the following information to the Extension Office on the Year End Club Paperwork Survey due January 31:
  - \* Financial Summary
  - \* Year-end Bank Statement with activity through December 31(balance should match Financial Summary)
  - \* Non-Monetary Asset List
  - \* If the club will continue operating in the new calendar year. If the club will disband, the Extension Office will contact the organizational club volunteer with information about the disbanding procedure.
- The Muskingum County 4-H Committee's Finance Committee conducts audits of 4-H club financial records. Each year, clubs will be randomly selected to submit their *Financial Records Binder* for audit by January 31.
- County Extension staff can request a review of a club's *Financial Records Binder* at any time.

## ***Records Retention***

Once the audit is complete, clubs should remove the documents from the *Financial Records Binder*, fasten them together and store in the plastic folder(s) supplied by the Extension Office. Records should be kept for five years.