

Muskingum County 4-H Club Financial Management Handbook

County Financial Resources:

muskingum.osu.edu/clubinfol

Ohio 4-H Officer Resources:

ohio4h.org/officerresources



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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*.
- Club accounts should be checking accounts; savings accounts should not be used.

Account Guidelines

- 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.
 - * When it is necessary for a check to be made payable to an account signer, that person should **NEVER** authorize the reimbursement or be the only one to sign the check.
 - * 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. If you do not have duplicate checks, receive copies of canceled checks with your bank statement or have a way to print them from online banking, make a copy of the check before it is submitted for payment.
- 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 *Club Budget* template can be found on page 5 of the *Ohio 4-H Treasurer's Record Book* or on page 6 of this handbook. 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, separate from the minutes, at each business meeting that can be reviewed upon request. A *Treasurer's Report* template can be found on page 7 of the *Ohio 4-H Treasurer's Record Book* or on page 7 of this handbook. Documentation of the treasurer's report should be noted in the 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.
- 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/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.
- 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 are provided with labeled dividers 1-10 and should file the following documents in the front of the binder accordingly:
 - 1) Muskingum County 4-H Financial Management Handbook;
 - 2) Ohio 4-H Treasurer's Resource Guide & Record Book;
 - 3) Tax Exempt Paperwork (IRS Assignment Letter, Tax Exempt Authorization) & Bank Account Documents;
 - 4) Secretary's Minutes;
 - 5) Treasurer's Reports, SEPARATE FROM MINUTES (template on page 7 of the *Ohio 4-H Treasurer's Record Book* or on page 7 of this handbook);
 - 6) Approved Club Budget;
 - 7) Club *Miscellaneous Fees Tracking Form*, similar document, or receipt book when collecting money from individuals (template on page 12 of this handbook);
 - 8) Ledger/Record of Club Finances;
 - 9) 4-H Financial Summary & Non-Monetary Asset List;
 - 10) Club Financial Review Report.
- Clubs are provided with labeled month dividers and should file the following in each month accordingly:
 - 1) Bank statement;
 - 2) *4-H Transaction Record* or *Request for Personal Reimbursement Form* for EACH transaction (templates on page 10-11 of this handbook). **These forms should be dated when the transaction occurs, but filed in the month they appear on the club's bank statement.**

Records Retention

Once the club Financial Review 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 (or something similar). Records should be kept for five years.

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*, found on page 11 of this handbook (or a similar document) and have the payee sign. Clubs that use the *Miscellaneous Fees Tracking Form* can keep a running record of money collected for the entire year. It is not necessary to do a new form for each unique money collection.
- 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. When it is necessary for a check to be made payable to an account signer, that person should **NEVER** authorize the reimbursement or be the only one to sign the check.
- A reimbursement **CANNOT** be requested and authorized by the same person. Reimbursements should be made to individuals (preferably club volunteers). It is not recommended to pay club expenses from a personal business account, even if the business is owned by a volunteer.

Annual Audit & Reporting Requirements

Club Level

- The club's *Financial Records Binder* should be reviewed annually by a committee from the club. Refer to the *Ohio 4-H Treasurer's Record Book* (page 14) for details. Clubs should keep record that a review was conducted using a form like the one found on page 15 of the *Treasurer's Record Book* or on page 9 of this handbook.
- The Financial Review 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 Sub-committee conducts audits of 4-H club financial records. Each year, Ohio 4-H requires one-third of a county's clubs to be randomly selected to submit documentation for audit by January 31. Clubs are encouraged to review the *Ohio 4-H Clubs and Committees Annual Financial Review & Audit Form* before submitting (on pages 13-15 of this handbook).
- Per Ohio 4-H Club/Affiliate Audit guidelines, clubs may be audited in consecutive years if previous audits show need for procedure improvement. If a club is audited for two consecutive years and the committee decides to review for a third year in a row, the club organizational leader will be required to meet with the county 4-H professional and the club will be placed on probation. If the third year audit is not up to expectations, the club will not be granted a club charter and will not be able to operate as a club for that program year.
- If the Finance Sub-committee is concerned about misuse or theft of funds, it will require the county 4-H professional to contact the State 4-H Office and conduct an external audit with 4-H professionals from other counties. This could result in possible volunteer dismissal, club disbandment or legal action.

CLUB BUDGET

_____ (year)

A tentative budget should be set by the officers and leaders at the beginning of the 4-H year as soon as a new club is organized. The tentative budget should be presented to the club at the first possible meeting, discussed and approved. Depending on your club's needs, you can use this form or make your own. Remember to include a copy with your treasurer's record book.

Income

(List fundraising event plans, approximate date of event and estimated profit.)

EVENT	DATE	ESTIMATED INCOME
1. _____	_____	\$ _____
2. _____	_____	\$ _____
3. _____	_____	\$ _____
4. _____	_____	\$ _____
5. _____	_____	\$ _____
	TOTAL INCOME	\$ _____

Expenses

(Include items such as club outings, donations to worthy causes, meeting location rental fees, recreation equipment or project materials, refreshments for parties, material for club banner, postage, Ohio 4-H Foundation donations, etc.)

NEED	DATE	ESTIMATED EXPENSE
1. _____	_____	\$ _____
2. _____	_____	\$ _____
3. _____	_____	\$ _____
4. _____	_____	\$ _____
5. _____	_____	\$ _____
6. _____	_____	\$ _____
7. _____	_____	\$ _____
8. _____	_____	\$ _____
9. _____	_____	\$ _____
10. _____	_____	\$ _____
11. _____	_____	\$ _____
	TOTAL EXPENSES	\$ _____

Estimated surplus or shortfall (total income minus total expenses): _____

Treasurer's Report

The Treasurer's Report informs members of the club's financial activity since the last meeting. Complete the Treasurer's Report, and present it to the club for each meeting.

4-H Club Name _____ Date _____

1. State the beginning account balance: _____ Date of previous meeting: _____
(Ending balance from previous meeting)

2. Money received:

\$ _____ from _____ for what purpose _____

\$ _____ from _____ for what purpose _____

\$ _____ from _____ for what purpose _____

\$ _____ from _____ for what purpose _____

\$ _____ from _____ for what purpose _____

\$ _____ total amount of money received.

3. Payments made:

\$ _____ to _____ for what purpose _____

\$ _____ to _____ for what purpose _____

\$ _____ to _____ for what purpose _____

\$ _____ to _____ for what purpose _____

\$ _____ to _____ for what purpose _____

\$ _____ total amount of payments made.

4. State the ending balance: \$ _____

5. Submitted by: _____

Treasurer

Record of Club Finances

Club Name _____ Year _____

The financial record allows you to keep your club treasury records up to date. Begin the record sheet with the ending balance from last year's treasurer's manual. Record **every** transaction on this record sheet and keep a running balance of money in the club treasury.

Date	Money Received—Name and Purpose Payments Made—Name and Purpose	Check Number	Money Received (+)	Payments Made (-)	Balance
	<i>Balance from previous page</i>	X	X	X	
	<i>Balance at the end of the year</i>	X			

Financial Review Report

Date financial review conducted: _____

Financial Review Committee Checklist:

- | | |
|--|---|
| <input type="checkbox"/> Club budget | <input type="checkbox"/> Bank statements |
| <input type="checkbox"/> Receipts for all income | <input type="checkbox"/> Record of Club Finances |
| <input type="checkbox"/> Check register | <input type="checkbox"/> Secretary's minutes |
| <input type="checkbox"/> Bills for all expenses | <input type="checkbox"/> Yearly Financial Summary |

The Financial Review Committee found the following conditions in the club's financial records:

The Financial Review Committee makes the following recommendations:

This certifies that the Financial Review Committee has reviewed the record keeping and financial balances and finds that they: (Check one)

- Are in order
- Will be in order upon implementation of recommendations
- Require further review and action

The Financial Review Committee must report at the next club meeting and have the report recorded in the secretary's minutes. Date report given _____

Financial Review Committee members:

Printed Names

Signatures

_____	_____
_____	_____
_____	_____

4-H Transaction Record

Date:	Income - Deposits	Expenses
	_____ Cash Deposited _____ Check(s) Deposited Deposit prepared by: _____ Deposit made by: _____	_____ Check Written Check # _____

Notes:

Attach Deposit Slip, Receipt or Other Documentation Below

Cash Counted by: _____
Signature
Amount
Date

Cash Counted by: _____
Signature
Amount
Date

4-H Club Request for Personal Reimbursement Form

Date: _____ Amount: _____

Name: _____

Phone: _____ Email: _____

Address: _____

City: _____ State: _____ Zip: _____

Reason for Reimbursement:

- A reimbursement **CANNOT** be requested and authorized by the same person. Reimbursements should be made to individuals (preferably club volunteers). It is not recommended to pay club expenses from a personal business account, even if the business is owned by a volunteer.
- When it is necessary for a check to be made payable to an account signer, that person should **NEVER** authorize the reimbursement or be the only one to sign the check.
- All reimbursement requests must be accompanied by an **ORIGINAL** receipt for the purchase.
- If you are paying for a service and can't get a check beforehand, please write up a receipt and have the person being paid sign it.
- Reimbursements will only be made with a check. **NO CASH REIMBURSEMENTS.**

Person Requesting Reimbursement Signature _____ Date _____

Person Authorizing Reimbursement Signature _____ Date _____

Reimbursed with Check #: _____ Amount: _____

Ohio 4-H Clubs and Committees Annual Financial Review & Audit

Maintain A Copy with Your 4-H Club or Committee Financial Records!

The following form should be completed when conducting an audit. Make sure to follow the Audit Steps outlined in the *4-H Club/Affiliate Audit Procedures* guidelines.

Name of 4-H Club or Committee: _____

EIN Number: _____ Date of Reviewed/Audited: _____

List all Signors on the Account (Minimum of

1. _____ 2. _____

3. _____ 4. _____

Name of who receives bank statements or has on-line view only access:

Name of Club/Affiliate Treasurer:

Accounts Reviewed:

Type of Account	Bank Name	Bank Address	Balance as of 12/31
Checking			

Reference:

UW-Madison Extension (2021) *4-H Club, Group, or Committee Audit Checklist*
<https://4h.extension.wisc.edu/files/2021/06/Fillable-Audit-Checklist.pdf>

Checklist of items to complete: The purpose of this checklist is to assist the 4-H youth treasurer, the adult volunteer working with the 4-H club or group finances and the auditors in their review. All items that have been marked, 'no' need to be corrected and explained in the comments or recommendations section.

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	All 4-H accounts and funds are in an approved FDIC financial institution.
<input type="checkbox"/>	<input type="checkbox"/>	The treasurer has kept a separate written record of the group's income and expenses (a ledger, spreadsheet, or report).
<input type="checkbox"/>	<input type="checkbox"/>	All checks have correct signature(s), payee name, amount written out numerically and in words. When it is necessary for check(s) to be written to a signatory on the account, the check(s) should be signed by someone other than the signatory.
<input type="checkbox"/>	<input type="checkbox"/>	All checks written, including voided checks, are accounted for in the checkbook written record (ledger, spreadsheet, or report).
<input type="checkbox"/>	<input type="checkbox"/>	Documentation (invoice, cash register receipt, request for payment form) matches to each cancelled or electronic check images.
<input type="checkbox"/>	<input type="checkbox"/>	All receipts/expenditures match bank statements and are recorded on the written record (ledger, spreadsheet, or report).
<input type="checkbox"/>	<input type="checkbox"/>	Donor records match recorded receipts. (If not, document any differences.)
<input type="checkbox"/>	<input type="checkbox"/>	Deposits are one week or less for the dates of income receipts to dates of deposits. (Document any extended delays of more than a week.)
<input type="checkbox"/>	<input type="checkbox"/>	For affiliates: If certificates of deposit are owned, they are still on deposit with the bank. If no longer on deposit, the proceeds have been deposited in the checking account. Clubs should not hold CDs.
<input type="checkbox"/>	<input type="checkbox"/>	When comparing receipts/expenditures to budget, the level of activity appears to within the approved budget or included as approved in the meeting minutes.
<input type="checkbox"/>	<input type="checkbox"/>	When reviewing the numerical sequence of canceled and unused checks, all are accounted for. (If not, list any missing checks.)
<input type="checkbox"/>	<input type="checkbox"/>	Bank statements are reconciled with the checkbook each month and the checkbook is balanced.
<input type="checkbox"/>	<input type="checkbox"/>	There are not any checks that are outstanding. (If there are outstanding checks, list the number and date of issue.)
<input type="checkbox"/>	<input type="checkbox"/>	When viewing a select sample of 25% of expenditures, the expenditures were authorized according to the minutes.
<input type="checkbox"/>	<input type="checkbox"/>	Bank statements match all financial record balances (in the treasurer's reports, ledgers, spreadsheets, or report, etc.).
<input type="checkbox"/>	<input type="checkbox"/>	The beginning balance on the Annual Financial Summary matches the previous year's ending balance (as of December 31) on the bank statement and/or other records.
<input type="checkbox"/>	<input type="checkbox"/>	The ending balance on the Annual Financial Summary matches the ending balance of the written record (ledger, spreadsheet, or report).
<input type="checkbox"/>	<input type="checkbox"/>	Any errors in addition or subtraction have been corrected on the Annual Financial Summary and in the financial records.
<input type="checkbox"/>	<input type="checkbox"/>	If funds being carried forward into the new program year are greater than the club's/affiliate's average annual expenses, an approved (no more than 5-year) plan, (by the county 4-H professional) is in place to spend down the funds.
<input type="checkbox"/>	<input type="checkbox"/>	Those completing the audit are at least four persons not related to the treasurer or persons on signature with the 4-H accounts.

Reference:

UW-Madison Extension (2021) *4-H Club, Group, or Committee Audit Checklist*
<https://4h.extension.wisc.edu/files/2021/06/Fillable-Audit-Checklist.pdf>

Provide mathematical accuracy of records:

Checking Account Balance 12/31/previous year	_____
+ Receipts During current year	_____
- <u>Expenditures During current year</u>	_____
Balance 12/31/current year	_____

If there are outstanding checks or pending refunds, please include here. Specify non applicable, if not. _____

Financial Records Binder Audit Checklist

- ___ IRS Assignment Letter
- ___ Ohio 4-H Tax Exempt Authorization Form
- ___ Club Secretary's Minutes
- ___ Club Treasurer's Reports
- ___ Current year Approved Club Budget
- ___ Miscellaneous Fees Tracking Form (when money is collected)/Receipt Book
- ___ Ledger/Record of Club Finances
- ___ Current year Ohio 4-H Financial Summary and Non-Monetary Asset List
- ___ Current year completed Club Financial Review Report
- ___ Monthly Bank Statements
- ___ Transaction Record/Request for Personal Reimbursement for Transactions

Please list any comments or recommendations. Specify any discrepancies and/or recommendations for how to better keep track of financial records in the future. If an item received a 'no' on the checklist, specify how to correct this in the future. Attach additional pages as needed.

Names and Signatures of Audit & Review Committee Members:

Name	Signature	Date