

Club Leader Facilitation Guide

# 4-H Treasurer's Book



4-H 

WASHINGTON STATE UNIVERSITY  
EXTENSION

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# Introduction

Congratulations! Your fellow 4-H club or group members have shown their confidence in selecting you for an important job—handling the club or group’s money. As treasurer, your responsibilities include managing the money, maintaining the bank account, and providing your club or group with regular reports regarding their funds. This officer position requires honesty, integrity, and cooperation with your club or group leader.

## Treasurers take the lead!

You and your club or group leader are in a partnership to provide the best possible leadership for managing the funds for your group. Working together you will each determine how often you need to meet to discuss funds that belong to your club or group, you and your group leaders’ roles and responsibilities, and set goals for the year. To fully meet WSU 4-H Policy, the treasurer and secretary should be from two different families. The members/leaders that sign checks and serve on the audit committee should be from two different families also.

### As the treasurer, you will:

- Work with the club or group to determine how much money it will spend and how it will raise the money (develop a budget)
- Receive the money that is raised and maintain a record of how much money has been collected and how it is raised
- Deposit all money into the bank account **within one week of receiving the money**
- Pay expenses after you have received receipts
- Provide a treasurer’s report for each business meeting that details all money received and spent since the last meeting

### As you begin your job, you will need to know, or be willing to learn how to:

- Write a budget
- Receive money
- Write a check
- Document receipts and expenses
- Balance a bank statement
- Prepare reports
- Prepare records for the annual peer review (audit)

You should think of your 4-H Club or group as a small business; it has a separate identity and legal requirements for handling funds and reporting the financial activity different from the way a person manages their personal funds. Your club, as a

chartered 4-H club, is a non-profit organization and is not required to pay income taxes. Because of this, there are specific tasks that must be completed at each club meeting and at the end of the 4-H program year.

Your club will receive donations from the community. There is a specific way to thank donors for their donation that also gives them a record of their donation. You will learn more about these processes later in this handbook.

This guide was put together to help you learn your job. You should go to any training your county/region provides for club officers. Each section of this handbook includes examples to follow and a sample activity to practice your job.

This handbook is intended to accompany C1059E, "4-H Leaders' Guide to Handling Funds in the 4-H Youth Development Program."

# CLUB LEADER CHECKLIST

- Attend your county's financial trainings as required.
- Encourage your treasurer to participate in financial training also, if it is available.
- Change signers on the bank account, if necessary.
- Discuss options for a record keeping system with your club treasurer.
- With your club treasurer, review requirements for financial record keeping in 4-H (see policy document (see <http://bit.ly/2uc743n>); review the Club Treasurer's Checklist
- Ensure there is appropriate time available for budgeting activities within club meetings
- Periodically sit down with the treasurer and go through the club records to make sure requirements are being met
- Embrace those instances when your club treasurer reminds you of the financial requirements
- Make sure a treasurer's report is given at each business meeting
- Work with the club president to select an audit committee
- Submit all required paperwork to your 4-H Extension Office by December 1

## Club Treasurer Checklist

- A budget was developed and approved by the club.
- All revenues have receipts that document how the funds were raised/collected.
- All deposits were recorded in the ledger.
- All expenses have receipts that document who was paid, what they were paid for, how much they were paid, when they were paid, and how they were paid. All expenses were recorded in the ledger.
- All expenses were approved by the club through either an approved budget or a motion approved in a business meeting.
- All checks included two signatures.
- If expense paid by debit card, all debit card receipts have a second signature.
- All exchanges of cash were documented with signatures and receipts.
- A treasurer's report was presented at each business meeting.
- Bank statements were available at each business meeting.
- An audit was conducted after the end of the 4-H year (September 30).
- A Property Inventory List was developed and new property was added to the list.
- The Annual Financial Summary, Audit Report, and Property Inventory List were submitted to the WSU Extension Office (December 1).

## Section 1: Develop your System

### Tips for Leaders...

Although your club may already have a system in place for maintaining your financial records, remember that each new treasurer may have ideas about how to improve that system. Remain open minded as each treasurer begins their job; be willing to listen to new ideas and give them consideration. Refrain from downplaying their ideas because of “we’ve always done it this way” or “that won’t work”. Youth often feel their input is not valued. Your openness and possible implementation of their ideas helps them gain self-confidence. The basic requirement for record keeping involves maintaining records of what financial transactions occurred. There is no one “right” method for keeping track of your club’s finances. Review with your treasurer what is required and work with them to evaluate their new ideas against this standard.

### Treasurers take the lead!

When you begin, you may be the first treasurer for the group, or you may replace a prior treasurer. If you are the first, you and your club leader will work together to design a system of record keeping that assists you in tracking money coming into and going out of the club. If you are not the first, you may have new ideas; share these with your club leader.

### Such a system must include at least:

- A record of all accounts
- A receipt book
- Documentation of revenue received
- Receipts for all expenses and payments
- Bank statements (if your bank requires electronic bank statements, you will need to print it each month to include in your records)
- A ledger that maintains a record of funds
- A copy of bank signature file (some banks will not provide this copy; a letter or other documentation from the bank that identifies the signors on the account can be used in place of the signature card)
- A copy of EIN Letter from the IRS (your group leader will provide this)

If you are replacing a previous treasurer, arrange to review the record keeping system with your group leader to ensure all the above requirements are met.

**Figure 1. Sample Record Keeping System**

**Treasurers take the lead!**

Arrange a notebook with the following tabs:

- Budget
- One for each month January-December with space for following:
  - Bank statement with reconciliation (you'll learn more about this in Section 2)
  - Monthly ledger
  - Revenue documentation
  - Expense documentation
  - Treasurer's Report
- Bank Records (including a copy of the signature card)
- Donation Letters
- Audit Report
- Annual Financial Report
- EIN Letter
- Property Inventory

You may choose to use a computer-based system like Excel®, Word®, Quicken®, MYOB®, Simple Accounting®, etc. Be consistent and use the same system all year. No matter what system you use, consider using paper first so you can organize everything you will use during the year.



## Bank Account(s)

### Tips for Leaders...

If you do not have an existing bank account, work with your treasurer to establish one. It is more than appropriate for the treasurer to contact the bank to determine what is needed to open the account. (You do not have to set up your checking account to require two signatures at the bank-in fact, this will most likely lead to increased service fees. It is a 4-H requirement to have two signatures; the second signature is for our purpose of acknowledging the expenses. The second signature can go anywhere on the check and does not have to be verified by the bank). Meet with the treasurer and develop some questions to ask the bank (of course, let the youth take the lead with this, too!). Some things you might want to consider are:

1. Do they have organizational accounts (business accounts usually charge higher service fees)?
2. What type of documentation is required?
3. What are the requirements for the signers on the account?
4. What are the hours of the bank?
5. Is there electronic access to the account?

If you already have an account, you may need to change authorized signatures with the bank when there are leader and/or treasurer changes. Guide your treasurer through contacting the bank to determine what will be needed to accomplish this task.

### Treasurers take the lead!

If you are the first treasurer, work with your group leader to open a 4-H bank account. All 4-H accounts must have at least two club or group members authorized to sign checks. These members cannot be in the same family. Whether your group is opening its first account or you are taking over for last year's Treasurer, you will need to get a new bank signature card. The Treasurer should be one of the signers. Some banks do not allow minors to sign checks; check with your bank to learn its requirements for opening a bank account.

To change, add, or delete signers, some banks require a letter from the club President and adult group leader. If a letter is required, it should be written by the secretary of the club and submitted with a copy of the meeting minutes listing the club's authorized signers.

Send a copy of your group's signature card to your county 4-H Extension staff. Always keep a copy of your signature card with your records.

## Employer Identification Number (EIN)

### Tips for Leaders...

Before you ask, no we are not employers. The EIN is the number the IRS uses to identify your club and maintain records about your club's financial business. In fact, the EIN is, in a way, your club's Social Security Number (SSN). The bank reports the funds that are deposited into your account to the IRS using your EIN. Your 4-H Extension Office will work with you to obtain an EIN; keep your EIN information together with your financial records and treat it as a SSN. You may want to host a workshop, or guest speaker, for your club to discuss the purpose of Social Security Numbers and things to do to protect your number from being stolen, or used. Work with the treasurer and the club to help them understand the need to protect their EIN as well.

As a non-profit organization 4-H is not required to pay income tax. But, we are required to report income to the Internal Revenue Service (IRS). An Employer Identification Number (EIN) is used as an identifier when reporting income to the IRS. Your club leader will work with your Extension Office to obtain an EIN for your club.

You are responsible for keeping the EIN letter within your group's records.

## Section 2: Banking Skills

### Tips for Leaders...

As banks are moving further towards electronic transactions, our youth are not learning the inside details about banks. A field trip to a bank gives them a great experience to gain awareness of how banks operate.

Working with your treasurer, or your entire club, help them to learn how to complete deposits, write checks, reconcile accounts, etc. Check with your bank to determine if they have any resources for you to use. Also, your 4-H Extension Office may have activities and curriculum on this topic.

The key is to allow your treasurer to conduct the banking for the club. It is often easier to do it ourselves; allowing our youth to complete the tasks assist them in developing leadership and responsibility. Work with your treasurer to develop a plan for when they will deposit money, write checks, and reconcile the club's account.

### Treasurers take the lead!

As the treasurer, you will need to develop a number of banking skills. If you are unsure of how to do any of your duties as Treasurer, work with your club leader and they will help you learn.

### Bank Deposits

Before you deposit checks that are written to your 4-H group, they must be endorsed (signed) on the back. Write "For Deposit Only." Sign the group name (as written on the front of the check) and then sign your name followed with a comma (,) and the word "Treasurer." If someone writes a check payable to you that is intended for your 4-H group, endorse it by writing "Pay to the order of (your group name)" and sign it. If your group receives many checks, you may want to have a rubber stamp made with the group name and account number on it. You can buy a stamp from many of the office supply stores.

Deposit all funds within one week. Total the receipts you have written since your last deposit and compare the receipt total with the total amount of cash (bills and coins) and checks you intend to deposit. The two figures must agree. If they do not, repeat the process. When the two totals match, prepare a deposit slip.

Deposit slips are usually found in the back of a checkbook or you may get a supply from the bank. When you fill out a deposit slip, list each check number and its amount separately (use the back of the deposit slip if necessary). The checks are usually listed by the bank code number, which may be found in the upper right corner of the check. It

looks something like this: 19-2/1950. Some banks no longer require this number. If this is the case, use the check number to help you keep track of deposited checks.

**Figure 2. Sample Deposit Slip**

<b>Deposit Ticket</b> <b>Green Clover 4-H Club</b>  Date <u>May 18, 2016</u>  <hr/> Sign here for cash received (if required)  HOME TOWN Trust & Savings Bank 073000 2028 7334 804 0900	Cash	\$10.85
	Check 19-2/1250	\$10.00
	Check 19-81/1251	\$15.30
	Total from Other Side	\$10.00
	Subtotal	\$46.15
	Less cash	-----
	TOTAL DEPOSIT	\$46.15

## Checks

Follow these steps when writing checks:

- Always use ink.
- If you make a mistake, write “VOID” on the check and prepare a new one. Keep the voided check with the Treasurer’s records. Do not throw it away; the voided check is your proof that shows it wasn’t used or lost.
- Leave as little space as possible between the figures and words when filling in the amount lines. This helps prevent someone else from changing a \$15 check into a \$115 check, for example.
- Begin writing the amount at the far left of the amount line.
- Be sure the written amount agrees with the numeric amount.
- Avoid writing a check for less than \$1. If necessary, start the amount line by writing the word “Only” and then the amount as follows, for example: Only 73/100.
- Sign the check with your “authorized” signature - the same way you signed the Signature Card at the bank when you became Treasurer. Make sure two people sign the check.
- **Do not pre-sign checks.**

**Figure 3. Sample Check**

609

<b>Green Clover 4-H Club</b>		Date	April 17, 2016
1234 Your Street			
Green Clover, WA 99800			
Pay to the			
Order Of:	<u>Clover Corner Supermarket</u>	\$	<u>15.69</u>
Fifteen and 69/ 100		Dollars	
<b>Home Town</b>			
<b>Trust &amp; Savings Bank</b>			
For _____	<u>Your Signature</u>	<u>The Other Signature</u>	
0073000 2028 7334 804 0900			

## Maintaining the Check Register

To keep your 4-H group’s check register current, follow these steps:

- Write the check number and the date it was written in the appropriate columns.
- Write the name of the person or company the check was made out to in the “Paid To” column.
- Write what the check paid for in the “Description of Transaction” column.
- Enter the check amount in the “Payment /Debit column.
- Subtract the check amount from the current balance amount in the line above and enter the new balance in the far right “Balance” column.

- When you start a new sheet in the check register, the “Balance” column begins with the ending balance from the last sheet you used. If one sheet is used per month, last month’s ending balance will become this month’s beginning balance (see Sample Checking Account Register below).
- At the end of each month reconcile the account. This means you will compare your records with the bank statement. Mark off all deposits and checks from your check register that have cleared the bank (this information is listed on the bank statement). Sometimes there is a form on the back of the bank statement that can be used to reconcile your statement.

**Figure 4. Sample Checking Account Register**

<p>_____4-H Club</p> <p><b>Checking Account Register</b></p>								
Check #	Date	Paid To	Description of Transaction	Payment/ Debit (-)		Deposit/ Credit (+)		Balance
								<b>\$316.78</b>
609	4/17/16	Clover Corner Supermarket	Achievement Dinner Supplies	\$15	69			301.69
	4/18/16	Deposit	Fees, Receipt # 12			\$4	00	305.09
610	4/22/16	Jim Member	Puppets for Children’s Hosp.	\$21	84			283.25
	4/30/16	Home Town Bank	Bank Fees	1	25			282.00

## Section 3: Prepare a Budget

### Tips for Leaders...

Each year your club should develop a budget to prepare a guide for their finances. There are budgeting activities within Appendix A. Review these activities with your club treasurer and allow them to lead the club through budgeting. Your role in the process is to serve as a guide. Rather than announce an activity, or fund raising idea is not allowed, work with the club to determine why. Ask questions such as “Does this expense work towards the mission of 4-H?”, “Is anyone in the club gaining from this activity (for example, if your club wants to purchase all their supplies only from Susie 4-Her’s mothers business, etc.)?”, or “What are the requirements for hosting a raffle?”. The answers may not be apparent at that moment; youth can volunteer to research the topic and bring it back to a future club meeting.

Each year your group will present a plan describing what it wants to do and how the goals in the plan will be met. Plans may include: attend clinics or workshops, pay club management fees, buy club t-shirts or awards, send club members to camp, do service projects, or participate in other activities.

The plan will show how much each activity will cost and how your club will raise the funds to pay for these activities. As the club treasurer, you will write a report that lists estimates of both costs and fundraising. This plan/report is called a BUDGET.

### Budget Activity

**Treasurers take the lead!**

With your club leader, lead your club in the budgeting activities in Appendix A during a club meeting. This will help everyone in your club learn how to set goals and prepare a budget.

## **Write Your Budget**

*Part 1: Make a Plan.* As a club, talk about the activities your club wants to do this year. Create a list and prioritize it by things that are most important to least important. Ask club members to do a little bit of research to figure out how much each activity will cost. List your activities and the estimated costs on the Budget Template in Appendix C. Add up the total cost of all projects to estimate your total expenses for the year.

*Part 2: Identify Current Financial Status.* Determine if your club has money left over from last year. If so, subtract that amount from your total estimated expenses to decide how much money you need to raise this year. If your club maintains a balance that is greater than one half of your overall budget, your club will need to request approval to maintain such a high balance. The club's financial goals may require you to save money over time if you are planning a large purchase, club trip, or other activity that costs a lot of money. Complete the Request to Maintain Excess Funds form in Appendix C when your balance reaches more than one half of your budget and send it to your Extension 4-H Office.

*Part 3: Create Income.* Now that you know how much money your club needs, it is time to decide how you are going to create income. Earning money takes time and planning. With your club, talk about ways they want to earn money. This can include product sales, hosting events, car washes, club dues, etc. Estimate how much can be raised with each event. Your income should match your club's projected expenses.

*Part 4: Finish Your Budget.* Using the Budget Template in Appendix C or software the club has chosen to use, finalize your budget.



**Figure 5. Sample Budget**

_____4-H Club	
BUDGET	
<b>EXPENSES:</b>	
Description	Amount
Management Fees (\$10 per member)	\$100
T-shirts (\$15 per member)	\$150
4-H Horse Clinic	\$200
Fair Passes	\$300
<b>Total Expenses:</b>	<b>\$750</b>
<b>INCOME:</b>	
Description	Amount
Car Wash	\$100
Cookie Dough Sales	\$200
Wrapping Presents	\$250
Christmas Tree Sales	\$200
<b>Total Income:</b>	<b>\$750</b>

## Section 4: Keeping Records

### Tips for Leaders...

The treasurer has the responsibility to keep the records of the 4-H club. Many club leaders meet with the treasurer a week before, or directly before and/or after the club meeting to transact business. The club treasurer should have possession of the club's checkbook and/or debit card. Working together to pay bills and transact business facilitates meeting the requirement to have two signatures on each check. As the leader, you should check the records each month and ask guiding questions on anything you think may not be correct. Questions such as "Can you tell me what expense that check paid?", "I'm not sure that adds up, could you recalculate that?", and "Was that deposit from the fundraiser" leads the treasurer to finding the answer (and, subsequently, making the correction) without feeling they have failed.

### Treasurers take the lead!

As treasurer, you are responsible for keeping records of all money the club receives and spends. Regardless of the system you and your club leader have chosen, you will need to keep and maintain records. Keep your records in a safe place where they cannot be damaged or lost. Keep all of your records together.

### Ledger

A ledger is where you record money received by the club and any expenses that have been paid by the club. The ledger should include an entry for anything you record in your check register. Make ledger entries for payments, deposits and fees each month. You may choose to keep these records in a binder. Each entry should include the following information:

- The date
- Check or receipt number
- Who was paid (payee) or who paid you money (payer)
- Description or purpose of receipt or payment
- Budget category (from budget)
- Amount received (income)
- Amount spent (expense)
- Balance

**Figure 6. Sample Club Ledger and Project Ledger**

Washington State 4-H Youth Development 4-H Club Ledger					
Date	Item	Rct #/Ck #	Decrease	Increase	Balance
					\$625.00
1-	Club Dues	Dues Ledger		\$125.00	\$750.00
10-	Material for Show	1001	\$52.47		\$697.53
12-	Record Books	1002	\$25.00		\$672.53
21-	Donation	R247		\$50.00	\$722.53
30-	Haunted House	C1003	\$110.00		\$612.53
	<b>Ending balance</b>				<b>\$612.53</b>

The amounts in the check register and the ledger will match unless club funds are deposited into or paid from an account other than the club's account. Receiving and paying money outside of the club's account is not a good idea, as it is very easy to lose track of the club's funds.

Project Ledgers: Some clubs may maintain additional ledgers for large projects and fundraising events. The purpose of a project ledger is to keep track of larger, less routine projects or fundraising activities. Keeping track of these items separately will make it easier to tell if the project paid for its own expenses or cost the group money. The project ledger should look similar to the club/unit ledger (Figure 6), but should be clearly labeled with the project's name and include deposits and expenses related only to that project.

Check Register. A check register is the book the bank gives you to keep track of the checks you write and deposits made to the account.

Checks. Checks are issued by your bank, and should be kept in a safe place until you need to use them. Only give checks to an authorized signer after you have filled the checks out. Only use checks that have the check number printed on them.

Debit Card. You may use a debit card for purchases. Receipts for these transactions should be reviewed and signed by a non-cardholder to ensure the expense was related to club business. **Note:** expenses paid with a debit card should be individually recorded in the check register and/or club ledger just like checks as a deduction from the checking account balance.

Date Stamp. You may use a date stamp to date bills. This can also be done by hand. If you are dating a lot of bills, a stamp can save you some time.

Numbered Receipt Book. A pre-numbered receipt book should be used to record all revenue received and can be purchased at any stationery or office supply store.

Cash Box. If you plan to organize activities that will require a change fund, have the club/unit authorize the purchase of a cash box with a lock. At the end of each activity, all funds collected will be deposited into your bank account.

### Record Your Revenue

Revenue is any money you receive for the club. This includes club dues, fundraising income, donations, or refunds on prior purchases. These transactions are required to have some form of documentation that shows where the money came from.

**Figure 8. Sample Club Dues Ledger**

Washington State 4-H Youth Development _____ 4-H Club Dues Ledger 2015-2016												
Name	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Susie	5	5	5	5		10	5	5	5		10	5
Joe	5	5	5	5			15	5	5	5	5	5
Jimmy	5	5	5	5	5	5		10	5		10	5
Mary	5	5	5	5	5	5	5	5	5		10	5
Trisha	5		10	5	5	5	5	5	5	5	5	5
Sally	5	5			15	5	5	5		10	5	5
JR	5	5	5	5	5		10	5		10	5	5
Zach	5			15	5	5	5		10		10	5
Brenda	5	5	5	5		10	5	5	5	5	5	5
Sam	5	5	5	5	5	5	5		10	5	5	5
TOTAL	50	40	45	55	45	50	60	45	50	40	70	50
Club Dues are \$ 5 per month												

Fundraising Event. For fundraising income, the fund raiser/event report will indicate how much money was returned to you after the event. The person in charge of the fundraiser should sign the report and you should sign it as well to show that you received the money. A sample of an event report is on the following page.

**Figure 9. Sample Event Report**

**Washington State 4-H Youth Development  
\_\_\_\_\_ 4-H Club Event Report**

Event:     *Bake sale*     *x*  
 Date:     *September 19, 2016*     *x*  
 Budgeted Income Projection:     *\$500.00*     *x*

Expenses	
Items	Cost
<i>Tables and Supplies</i>	<i>\$114.00</i>
<i>Decorations</i>	<i>\$32.00</i>
<i>Refreshments</i>	<i>\$10.24</i>
<i>Total Expenses</i>	<i>\$156.24</i>
Cash start up for making change at event	\$150.00
Amount Collected	
Cash	<i>\$460.00</i>
Checks	<i>\$364.00</i>
Total Collected	<i>\$824.00</i>

**Total Funds** (collected + Cash Startup):     *\$974.00*     *x*

**Net Income** (Total Funds – Cash Startup – Total Expenses):     *\$667.76*     *x*

Did you meet your goal?  Yes     No

Receipts submitted to treasurer (initial): \_\_\_\_\_ Treasurer \_\_\_\_\_

Funds to Treasurer (initial): \_\_\_\_\_ Treasurer \_\_\_\_\_

If your club chooses to host a raffle as a fundraiser, there are specific guidelines that have to be followed due to Washington State laws. Work with your club leader and members of your club to review these guidelines before you finalize plans for your raffle: <http://www.wsgc.wa.gov/publications/brochures/5-164-raffles.pdf>

## Donations

If the club receives a donation, record the donation on a Donor Ledger. To thank the donor, your club secretary and your club leader will send the donor a letter, signed by both of them. This letter is a more formal thank you and provides the donor with a donation receipt. In addition, your club should provide the donor with a handwritten thank you note (this could be signed by all members) to show your appreciation for their generosity. More information about donor communication and sample form letters for this purpose are included in Appendix B.

**Figure 10. Sample Donor Ledger**

Washington State 4-H Youth Development _____ 4-H Club Donor Ledger		
Donor Name	What was given	Value
John Doe	Cash	\$100.00
Fred Meyer	Gift Card	\$25.00
Tractor Supply Company	Clippers	\$59.99

Other Income. Any other income, such as refunds from prior purchases, or miscellaneous income (such as anonymous donations) should include some sort of written documentation like a return receipt or handwritten note from the person who received the income.

## Expenditures

When your club spends money, this is an expenditure. Expenditures can include club meeting supplies, clinic registration costs, club t-shirts, or anything else you are buying with club funds. It is important that you keep track of all expenditures. All of your expenditures should be made using a check.

Keep your receipts and put them in your club finances binder or organizational system your club is using. You should have a receipt for every expenditure your club makes. Every expense should be recorded in your ledger. It is helpful to keep a running balance every time your club receives income or makes an expenditure.

One method you can use to keep track of your club's receipts is to tape the receipt to a blank piece of paper. Once the receipt is on the piece of paper, punch holes in the side and put it in the binder. Receipts come in all different shapes and sizes. Taping them onto a piece of paper will keep them neat and organized. Once an expense has been paid, mark the receipt so it cannot be reused at a later date. This can be done by marking it "Paid, Ck # \_\_, MM/DD/YY."

**Figure 11. Sample Receipt Marking**



## Property Inventory List

A club may purchase equipment and supplies necessary for club activities. If the items purchased are not consumed or "used up," they are club assets and must be recorded. As treasurer, you will need to keep track of what items are owned, their original value (what you paid for them), and where they are located, or being stored. This list will be used to prepare your year-end reports. Each year, the club should review their Property Inventory List to make sure all equipment and other property is listed. Once reviewed, this list must be submitted to the Extension 4-H Office. A Property Inventory List template can be found in Appendix C.

## Section 5: Reporting

The 4-H organization is a public entity and all funds raised are public funds. Reporting how the money is earned and spent is important for the organization and helps us keep in good standing. All 4-H clubs and groups who raise and spend money must report the use of their funds locally and nationally.

### *Tips for Leaders...*

At the beginning of the year you and your club treasurer should develop a schedule of when to complete your reporting requirements. Having the schedule determined at the beginning of the year creates a plan for completion. Ask the treasurer to find at least three people to conduct the yearly audit; if people cannot be found within the club, encourage the treasurer to work with another club and perhaps exchange records to audit.

The annual summary should not be completed until the audit is done. Guide the treasurer through completing the report (if they need help) and help them find any discrepancies in the records from beginning balance to ending balance. These balances should equal those on record with the back.

Completing the property inventory could be a fun club activity. You could arrange a scavenger hunt and have club members find and list property. Or, you could “walk through” purchases for the year and make sure all new items have been listed on the inventory.

### **Treasurers take the lead!**

The 4-H club treasurer is responsible for tracking how the funds are raised and spent and then reporting to the club. At your regular club meeting, you should submit a treasurer’s report for the 4-H club to approve. Your report should include a report of the money earned and money spent since the last meeting. Additionally, a copy of the most current bank statement should be present for review if requested by anyone at the meeting. Upon review of the report, the president will ask if there are any questions.

After all questions have been answered, the president will announce that the report will be placed on file for audit.



**Figure 12. Sample Treasurer's Report**

**Washington State 4-H Youth Development  
4-H Club Treasurer's Report**

October 1, 2016

**Beginning Balance** *09/01/2016: \$278.52*

**Income**

<i>Bake Sale</i>	<i>\$724.00</i>
<i>Dues</i>	<i>\$58.00</i>
<b>Total Income</b>	<i>\$782.00</i>

**Note:** Income is listed by how it was raised.

**Expenses**

<i>Tables for bake sale</i>	<i>Fred Meyer</i>	<i>\$114.00</i>
<i>Decorations for bake sale</i>	<i>Party city</i>	<i>\$32.00</i>
<i>Refreshments for bake sale</i>	<i>Safeway</i>	<i>\$10.24</i>
<i>Stamp for check deposits</i>	<i>Staples</i>	<i>\$22.78</i>
<b>Total Expenses</b>		<i>\$178.41</i>

**Note:** Expenses show what was purchased and where it was purchased.

**Ending Balance** *09/30/2016: \$882.11*

## Annual Reporting



**Treasurers take the lead!**

At the end of each 4-H year (September 30), each club is required to submit reports to the 4-H Extension Office. Your club leader bears the responsibility to submit the reports, but you can be instrumental in making sure they are completed. Keeping accurate and organized records assists in easy completion of annual reports.

### **Audit**

At the end of the year, your club will need to complete an audit, also called a Peer Review. With your club leader, recruit at least three people to complete the audit. These people cannot be related to anyone who has had access to the treasurer's records or bank account at any time throughout the year. These people don't even have to be in your club.

Some clubs have swapped books with another club for auditing. Club A audits the records of Club B and Club B audits the records of Club A. If errors are found in your club's records, the audit committee will make suggestions for improvements or corrections in their report. An example of the auditing process is included in Appendix C. Once the audit report is completed, it must be submitted to the Extension 4-H Office.

### **Annual Financial Summary**

Once the audit is completed and necessary corrections are made, the club must complete an Annual Financial Summary. This form can be found in Appendix C. Once complete this list must be submitted to the Extension 4-H Office.

# Appendix A

## Activities



4-H 

WASHINGTON STATE UNIVERSITY  
EXTENSION

# Budgeting Activity 1: Needs vs. Wants

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**Objective:** Determining whether something is a need or a want is a vital life skill and especially important when you are talking about 4-H club finances. In this activity, 4-H club members will discuss and identify needs and wants. Keep in mind that club members should feel safe to have an open discussion throughout this activity. This activity will set the stage for 4-H club members to set financial goals.

**Materials Needed:**

- Enough small slips of paper for each club member to have three (3x5 cards cut in half work really well)
- Pencils for every club member
- A hat or little basket to collect the strips of paper

**Time Needed:** about 30 minutes

**Activity:**

1. Give everyone in the group three pieces of paper and a pencil. Have every club member think about three things they either need or want that someone can buy. You might need to help the members in your club think of something to write down. Some suggestions could be shoes, bread, a cell phone or even things like halters, new boots, and feed for animals. They should only write down the item on the piece of paper and should not write down if it is a need or want.
2. Once everyone has written down their ideas, have someone collect the pieces of paper and put them in the hat or basket. Shake up the basket. Now ask everyone to draw out three slips of paper. Have everyone get a partner or split up into small groups of 2 or 3 people. Read through the slips of paper and decide if each item is a need or a want.
3. If you have a lot of time, you can have a big group discussion about it. Ask someone to read one of their slips of paper and instruct the member not to tell the group the item is a need or a want. Now, have the group vote on whether they think it is a need or a want.
4. When the group votes, have club members talk about why they think it is a need or want. If you have enough room, you can have the club members stand up and go to one side of the room if they think that item is a want and the other side of the room if it is a need.
5. Go around the room and talk about items for about 10 – 15 minutes.

## Budgeting Activity 2: Setting Club Spending Goals

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**Objective:** This activity is meant to follow the Needs vs Wants budgeting activity. In this activity, your 4-H club will decide what your club values and set some financial goals for your club year.

**Materials Needed:**

- Pencils, markers or crayons for everyone
- Paper for everyone
- A copy of the “Club Financial Goals” worksheet for everyone

**Time Needed:** About 30 minutes

**Activity:**

Determine your Values. Give everyone a piece of paper and something to write with. Ask everyone to draw a picture of their dream 4-H club. Give the club members about 5 minutes to draw their picture using provided materials.

After everyone has had a chance to draw their picture, ask for volunteers to talk about their picture. Ask them questions about their picture. What are the club members doing? What are the club members wearing? What makes the club members happy in the picture? Have a person in your club take notes about what club members are saying about the pictures they drew. This discussion will help your club decide what is meaningful to them.

Determine your Needs. Now that you know what your values are as a club, you can talk about what your club wants to do this year. The next part of this activity is deciding if there are things your club needs money to support and how much money you will need.

Use the “Club Financial Goals” worksheet to help you with this. As a club, talk about what you want to accomplish this year.

Here are some questions you can ask to start the conversation.

- Will your club have club t-shirts?
- Will your club participate in a community service project?
- Does your county have club management fees or participation dues?
- Do you want to have things for club meetings or the Fair (for example, pitch forks, buckets, clippers, decorations, or tickets to the Fair)
- Are you having a year-end club party?

Once you have discussed each item, decide which ones you want to set as your goals.

Estimate your Cost. Now estimate how much your club thinks it will cost for those activities. This will help you determine how much money you need to earn this year as a club.

The final step is deciding how your club will raise the money.

# Club Financial Goals Worksheet

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What is important to our 4-H Club?

What does our club plan to accomplish this year?

## Our Club Financial Goals

Goal	How much money do we need?
<i>(Example: Club t-shirts)</i>	<i>(Example: \$10 each \$100 total)</i>
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
<b>Total Needed</b>	\$

# Appendix B

## Donation Communications



4-H 

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# Donation Communication Examples

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## Introduction

Of course we want to thank our donors for their contributions, but what are our duties for providing our donor with a receipt and other tax documentation? Some donors may ask for our EIN prior to donating to ensure we are recognized as a 501(c)(3) organization.

## Frequently Asked Questions

*What if we do not show up as a 501(c)(3) organization?*

More than likely this is due to a time lag between when the club/program/group received its EIN, when it was included in the annual statement to the IRS (March 31 of each year), and when the IRS processed the annual report and placed the club's EIN on the approved list. Sometimes this can take up to one year to process. For example, if the club receives its EIN in May, it will be included in the annual report on March 31. The IRS may not then add the club's EIN to the approved list until the following May. If this should happen, contact your county Extension 4-H Office for guidance on accepting donations.

*What if the donor asks for our EIN prior to giving the donation?*

Send the donor a letter providing the EIN, but clearly indicate in the letter that you have not yet received the donation (see Donor Letter Sample 1).

*How do we send receipts for donations?*

Once the donation is received, send a letter to the donor acknowledging exactly what they donated. If they donate money, receipt money; if they donate goods, receipt the goods they gave, etc. (see Donor Letter Sample 2, 3, or 4.)

*Our donor has asked for a W-9, what should we do?*

A W-9 form can be obtained from the IRS website ([irs.gov](http://irs.gov)) A sample completed W-9 letter is provided for your reference.



## Donor Letter #1 – Provide EIN to Potential Donor

[Date]

[NAME]

[STREET ADDRESS]

[CITY, STATE, ZIP]

Dear [NAME]:

Thank you for your interest in donating to the XYZ County 4-H Program. The XYZ County 4-H Program [EIN xx-xxxxxxx] is a recognized 501(c)(3) organization and your donation may be tax deductible; please consult your tax consultant for determination.

Should you have any difficulty verifying our 501(c)(3) status, please contact us at email@email.com or xxx-xxx-xxxx. Additionally, once we receive your donation, we will be happy to provide a donation receipt.

Again, thank you for your interest.

Sincerely,

Susie 4-H Clover

[TITLE]

## Donor Letter # 2 – Cash Donation

[DATE]

[NAME]

[STREET ADDRESS]

[CITY, STATE, ZIP]

Dear [NAME]:

Thank you for your generous donation of \$100 dollars to the XYZ County 4-H Program. Your donation will help us provide [scholarships, supplies, equipment, etc.] for our [program, event, trip, etc.]. The XYZ County 4-H Program [EIN xx- xxxxxxx] is a recognized 501(c)(3) organization and your donation may be tax deductible; please consult your tax consultant for determination.

XYZ County 4-H teaches life skills to over x,xxx youth in our neighborhoods and communities. It is through generous donations such as yours that these youth are learning, forming relationships with others, and developing responsible life skills that will benefit them and their communities throughout their lives.

Again, thank you for your contribution.

Sincerely,

Susie 4-H Clover

[TITLE]

## Donation Letter #3 – In Kind Donation

[DATE]

[NAME]

[STREET ADDRESS]

[CITY, STATE, ZIP]

Dear [NAME]:

Thank you for your generous donation of 25 collars and 25 leashes to the XYZ County 4-H Dog Program. Your donation will help us provide [scholarships, supplies, equipment, etc.] for our [program, event, trip, etc.]. The XYZ County 4- H Dog Program [EIN xx-xxxxxxx] is a recognized 501(c)(3) organization and your donation may be tax deductible; please consult your tax consultant for determination.

XYZ County 4-H teaches life skills to over x,xxx youth in our neighborhoods and communities. It is through generous donations such as yours that these youth are learning, forming relationships with others, and developing responsible life skills that will benefit them and their communities throughout their lives.

Again, thank you for your contribution.

Sincerely,

Susie 4-H Clover

[TITLE]

## Donor Letter #4 – Gift Card Donation

[DATE]

[NAME]

[STREET ADDRESS]

[CITY, STATE, ZIP]

DEAR [NAME]:

Thank you for your generous donation of a \$100 gift card to the XYZ County 4-H Livestock Program. Your donation will help us provide [scholarships, supplies, equipment, etc.] for our [program, event, trip, etc.]. The XYZ County 4-H Dog Livestock [EIN xx-xxxxxxx] is a recognized 501(c)(3) organization and your donation may be tax deductible; please consult your tax consultant for determination.

XYZ County 4-H teaches life skills to over x,xxx youth in our neighborhoods and communities. It is through generous donations such as yours that these youth are learning, forming relationships with others, and developing responsible life skills that will benefit them and their communities throughout their lives.

Again, thank you for your contribution.

Sincerely,

Susie 4-H Clover

[TITLE]

# Appendix C

## Resources and Forms



4-H 

WASHINGTON STATE UNIVERSITY  
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# Request to Maintain Excess Funds

The Washington State University 4-H Youth Development Policy and Procedures Handbook directs each 4-H club/group to maintain no more funds needed than to cover 6 months of expenses (Section 11.3.1). If your club has plans that require maintaining a higher balance, complete this form to request such permission. If your club plans do not require maintaining a higher balance, contact your 4-H Faculty/Staff to determine your next steps.

Club Name: \_\_\_\_\_

Club Leader: \_\_\_\_\_

Current Funds Balance: \$\_\_\_\_\_

Our club has the following plans that require a fund balance in excess of 6 months of expenses:

Amount necessary to complete club plans: \$\_\_\_\_\_

Amount in excess of this need: \$\_\_\_\_\_

Your request has been approved:

\_\_\_\_\_  
Extension signature

\_\_\_\_\_  
Date

Balance must be reduced by: \_\_\_\_\_







# Audit Procedure

---

The financial reports of every group should be reviewed and audited on a yearly basis as sound fiscal management practice. It should be a simple but careful check of how well the treasurer and the group are handling money. The president and group leader will appoint an audit committee. Make it a practice to always audit the books when transferring responsibility from one person to another for the protection of all parties involved.

Complete this form at the end of September (the end of the 4-H year) and every time a treasurer changes. The purpose of an audit is to check procedures and accuracy of the accounts. It is not a check for fraud, however fraud will be reported if found. The financial records should be clear and easily understandable.

4-H Group/Club Name: \_\_\_\_\_

Group/Program Leader: \_\_\_\_\_

Phone: \_\_\_\_\_

Audit period: \_\_\_\_\_

*Does your group collect any funds for any purposes?*

\_\_\_\_\_ Yes --- please complete the remainder of this form.

\_\_\_\_\_ No --- answer next question

*Does your club maintain a club treasury of any fashion (bank account, club fund box, etc.)?*

\_\_\_\_\_ Yes --- please complete the remainder of this form

\_\_\_\_\_ No --- please sign, date, and keep with your club records

*Club/Group Leader Signature* \_\_\_\_\_ *Date* \_\_\_\_\_

## **Audit Committee Signatures:**

We the undersigned, have examined the financial records for the above named 4-H group and certify this report and the statements made on the reverse to be correct.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Treasury Balance \$ \_\_\_\_\_

As of date: \_\_\_\_\_

## Audit Committee Procedure

### Procedures for 4-H Club Audit Committee

- Check each month's reconciled bank statement and canceled checks. If the treasurer found differences during the month, ask what was done to make corrections. Verify that two authorized, unrelated 4-H members or adult volunteers signed all checks. Verify that the signer is not the same person as the person paid.
- Check the ledger entries and make sure that the entries are complete and up-to-date. Compare the ledger postings to checks, bills, receipts, and deposits. If there are missing items, or differences between receipts and payments and/or deposits, ask the treasurer to explain.
- Review all voided checks. If a voided check is not on file, verify that the check has not cleared the bank by examining the bank statement to make sure the voided check number is not listed.
- Total all money (cash and checks) received. Receipts must be written for all funds collected. Verify that receipts are in order by date and that all funds are listed on the ledgers.
- Total all deposits made to the bank account. The total should equal the total of all funds received as recorded in the ledgers, club monthly treasurer reports, and receipt book.
- Total all money spent. The total should equal the total of all expenses as recorded in the ledgers, club monthly treasurer reports, and check book. Verify that a written bill or receipt is on file for each expense. Verify that all expenses paid by cash are recorded in a petty cash ledger.
- Check the Current Balance. Verify that the treasurer's total balance at the beginning of the year, plus all funds received, minus all expenditures, equals the treasurer's total current balance for the year.
- Complete the questionnaire on the next page. *If any of your answers are NO, your 4-H group financial record keeping practices are not consistent with 4-H policy. Please attach a brief statement to this form indicating what corrective action will be taken.*

Yes	No	NA		Answer all questions if your group collects any amount of funds for any purpose.
			1.	Does the 4-H group keep funds for the use of the club? If no, attach an explanation of how you pay for club expenses.
			2.	Indicate where the club's funds are kept: _____ (Checking or savings?) Include bank name, branch location, and account number:
			3.	Is there a treasurer's book or ledger?
			4.	Is every expense listed in the ledger?
			5.	Is every income transaction listed in the ledger?
			6.	Have funds raised been reported and deposited appropriately?
			7.	Were ledger entries entered in a timely manner with an explanation of the transaction?
			8.	Does the bank statement balance agree with the balance in the treasurer's book or ledger?
			9.	Has fund-raising activities been reported to the 4-H Extension Office?
			10.	Are there two signatures on all checks authorized by the group?
			11.	Are the signers on each check from two different families?
			12.	Have all disbursements been made by check and/or debit card?
			13.	Is there an explanation for any checks made payable to cash?
			14.	All checks are pre-numbered and pre-printed?
			15.	All disbursements are properly documented. Supporting documents include evidence of purchase, receipt and approval.
			16.	Do all such support documents (for example, paid invoices, receipts for expenditures, etc.) have notations that show when they were paid?
			17.	Do startup funds for fund raising activities include documentation of checking out and checking in those funds?
			18.	Voided checks are organized and available for inspection.
			19.	Printed pre-numbered receipt forms are properly used for receipt of cash.
			20.	Restrictive endorsement (i.e. "for deposit only") is visible on incoming checks as soon as they are received. This would be observed if any checks had not yet been deposited.
			21.	Duplicate copies are maintained of receipts of cash.
			22.	Bank deposits are certified by means of a duplicate deposit slip or entry in the passbook.
			23.	Checks returned by the bank for insufficient funds are controlled and a follow-up maintained.
			24.	Monthly and/or quarterly and year end reports are provided to the group by the Treasurer including: account balances; receipts; expenditures, and closing balances. A bank statement was available at all meetings?
			25.	Meeting minutes of club meetings reflect the current balance, funds received, and approval of all expenses reported.
			26.	Is there a budget outlining an annual spending plan, which has been reviewed and approved by the group?
			27.	Receipts for larger fund raising events (for example, raffle ticket sales, booth sales) include a total of the funds collected from the event.
			28.	Cash overages or shortages are properly recorded on books.
			29.	Adequate physical facilities (including, but not limited to, a barrier between cash box and general public, walking with cash handlers to cars, etc.) are provided for safeguarding cash in possession of individuals authorized to handle cash.

<b>Office Use Only</b>
Date Received _____

**WASHINGTON 4-H CLUB/GROUP/COUNCIL/AUTHORIZED UNIT ANNUAL  
FINANCIAL SUMMARY REPORT  
TO WASHINGTON STATE UNIVERSITY EXTENSION**

Reporting Year: October 1, 20\_\_\_\_ to September 30, 20\_\_\_\_.

Tax ID# (EIN) \_\_\_\_\_ County \_\_\_\_\_

Club/Group \_\_\_\_\_

Mailing Address—Street or PO Box \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_

Phone Number \_\_\_\_\_ Contact email \_\_\_\_\_

Bank Name and Branch \_\_\_\_\_

Attach a copy of your bank signature card.

Account # (Checking) \_\_\_\_\_ (Savings) \_\_\_\_\_

	CHECKING	SAVINGS	INVESTMENTS
Beginning Balance			
Total Income			
Total Expenses			
Ending Balance			

List any Donors and Fund Raising Activities (place an \*asterisk next to those who gave more than \$5,000)

Name \_\_\_\_\_ \$ \_\_\_\_\_

(Add additional sheets if necessary)

Treasurer's Signature \_\_\_\_\_

Treasurer's Name (printed) \_\_\_\_\_

Leader's Signature Leader's Name (printed) \_\_\_\_\_

Attach a copy of your Audit Report and Property Inventory List.

**This form is due in the county 4-H Extension Office  
By December 1 of current 4-H year**

WSU Extension programs and employment are available to all without discrimination. Evidence of noncompliance may be reported through your local WSU Extension office. Published August 2013 C1130E.