



FINANCIAL GUIDELINES

For Iowa 4-H Clubs and Learning Communities

All money raised using the 4-H name or emblem must be used only for 4-H activities. Because these funds belong to a club that is publicly accountable, the funds must not be used in any way to enrich individuals. This means that money may not be given out to individual club members or others, but must be used to pay for educational programs, activities, workshops, or 4-H club supplies.

1. All 4-H clubs should have an account at the County Extension Office. If a new club is being formed, an account should be started at the County Extension Office.
2. The club treasurer must use the Treasurer's 4-H Record Book or similar record to show cash received, where the money came from, and payments made complete with check number, date, and purpose. The County Extension Office will provide a monthly report of the cash received and payments made. If the information does not match, please contact your County Extension Office.
3. Every payment should be in response to a formal written bill or invoice. The itemized invoice, clearly stating what was billed, should be given to the County Extension Office with a completed 4-H Club Voucher Request.
4. Clubs should prepare a budget for the year. A budget is a written plan for raising and spending money for a set period of time, usually one year. When the budget is approved by the members of the club, it's not necessary to seek approval for payment of items included in the budget. If a club doesn't have a budget or items arise that are not part of the budget, each item needs to be presented to the members for approval before payment. The approval should be recorded in the secretary's minutes. This accomplishes two things. First, all expenditures of club funds are made with the full approval of the club. Second, this is a way for all the club members to learn how money flows in and out of their club.
5. It is permissible to pay part of registration fees for club members to attend 4-H activities, such as 4-H camps and conferences, when those expenditures have been approved by the club.
6. All money received should be acknowledged with a written receipt, preferably pre-numbered. The receipt should include the source of funds (car wash, food stand sales, etc.), the date, and if possible, the name of the person making the payments. These receipts are the backup documentation for any deposits made. The receipts should become a permanent part of the club records.
7. All fundraising activities must have prior approval from the County Extension Council or designee.

8. Noncash, consumable donations of items should be acknowledged in writing to the donor. A copy of the written acknowledgment must be kept in the club treasurer's records. If the donor requests a receipt for tax purposes, please refer to IRS Publication 1771 (<http://www.irs.gov/pub/irs-pdf/p1771.pdf>).
9. Noncash, non-consumable donations such as equipment or animals, should be accepted only if the club is prepared to accept the responsibilities of ownership including care, maintenance, and insurance. Written acknowledgment should be sent to the donor and a copy must be kept in the club treasurer's records.
10. Donors cannot specify the individual recipient of cash or noncash donations. Clubs should not feel compelled to accept noncash gifts. Contact the county extension office whenever the club has questions about the appropriate action related to accepting and managing any donation.
11. The treasurer should prepare a monthly financial report for the club, listing expenses paid, bills to be paid, income received, and balance in the club account(s). The treasurer should prepare an end of the year annual financial report for the club audit committee.
12. Any 4-H club that disbands must turn over any remaining funds in club accounts to the County Extension Office. All property belonging to the club shall be disbursed in the same manner. Club members may request that the money be used for a specific 4-H program within the club, county, or state. This request will be acted upon by the County Extension Office at the time the club is dissolved.
13. If a club divides itself, creating more than one recognized and properly chartered club, the funds from the original club shall be evenly disbursed, based on membership in each club.

Revised by Marybeth Foster, Organizational Accountability Manager and Mitchell Hoyer, Iowa State University Extension 4-H youth development program coordinator from materials originally prepared by Don Goering, former ISU Extension 4-H youth development specialist.

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