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**Kansas State University  
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July, 2018

To: All 4-H Organizational Club Leaders  
From: Sarah E. Maass, District Extension Agent, 4-H Youth Development  
RE: Year End Financial Review Report

As your club prepares to close out the 2017-18 4-H year books, it is time to begin to think about the financial review process. K-State requires that ALL 4-H club accounts, 4-H council accounts, etc. go through this process.

Enclosed you will find several forms. They are described below.

Volunteer Financial Review Committee Responsibilities: The annual internal financial review can be conducted by an internal financial review committee, composed of two or three members of the club. Committee members **should not** be signatories, or have family or financial relationships to the treasurer.

4-H Club Financial Review Check List: This is a check list to help you prepare for the annual financial review process.

4-H Club Annual Financial Report: This is the form that the Volunteer Financial Review Committee is to fill out in regard to your club accounts.

4-H Club Treasurer Job Description: Please share this with your newly elected treasurers. Inform them of this process so they will be prepared for the financial review process next year.

It is important that your 4-H accounts follow these guidelines:

- Each 4-H club or Extension related bank account **must have two signatures** for withdraws (writing checks). I know that banks do not require two signatures, but K-State does.
- All club/group accounts must have their own federal employer identification number (FEIN) from the Internal Revenue Service. You may request the SS-4 form from the Extension Office **if you do not** have an FEIN. You may also go to the following website for a fillable PDF form (<http://www.irs.gov/pub/irs-fill/fss4.pdf>). The instructions for the SS-4 form are available at <http://www.irs.gov/pub/irs-pdf/iss4.pdf>. **No account should have an individual's Social Security Number listed.**
- An annual financial report must be filed with the District Extension Executive Board.

The Financial Review Report is **due to the Extension Office by November 15 at 5:00 p.m.** If November 15, falls on a Saturday, then it is due on Friday. If November 15, falls on a Sunday, then it is due on Monday. The report may be returned to either Extension Office. If you have any questions, please do not hesitate to contact me.

Enclosures

## **Financial Review Committee Responsibilities for 4-H Club/Group and Other Extension Affiliated Accounts**

Kansas Extension Council law as well as federal and state expectations for use of all funds generated in support of Extension programs, require the Director of Extension and Extension Council/District Boards to be accountable for non-appropriated funds generated for Extension programs within their jurisdiction. In other words, the Director of Extension and the Executive Board are accountable for funds raised and/or collected by such groups as 4-H Clubs, 4-H Councils, and Master Gardeners. In order for the Extension Council/District to ensure compliance with financial requirements for 4-H and other Extension affiliated groups, a yearly financial review of those accounts is to be conducted by a Financial Review Committee of the club/group.

Of most importance are the following principles:

- Utilize the 4-H Club Treasurer Job Description in 4-H officer training.
- Each 4-H Club or other Extension affiliated group bank account **should have two signatures for expenditures** (checks and withdrawals).
- An annual financial report must be filed with the Extension Council/District Board. A suggested deadline is November 15<sup>th</sup> for 4-H Club accounts.
- All club/group accounts must have their own employer identification number (EIN) from the Internal Revenue Service. **The Extension Council or 4-H Council number is not to be used.** Personal social security numbers may not be used for these groups.

The financial review process helps teach lessons of accountability, the importance of keeping good records, and assures we are in compliance with state and federal expectations, as well as IRS requirements, for use of non-appropriated funds generated to support Extension programs. The financial review committee should be composed of three or more members with a recommendation of two adults and two youth for 4-H Clubs. Committee members should not be signatories on the account, or have family or financial relationships to the treasurer or anyone else that is signatory on the account.

The financial review committee should be concerned with the following objectives:

- Verification that established policies, procedures and internal controls are being followed in the daily operation of the program.
- Verification that accounting records and financial statements are accurate and complete.
- Verification that “Principles of Managing Non-appropriate Funds Collected by Kansas Extension Councils and District Governing Bodies” are being followed.

The financial review committee should make comments and recommendations regarding the financial records and procedures for the club/group. All areas of non-compliance (no matter how small) should be summarized by the financial review committee and brought to the attention of the club/group and included in the financial report. The financial report is a permanent part of the financial records of the club/group and a copy should be kept with club/group records.

Resources: Principles of Managing Non-Appropriated Funds  
Internal Revenue Service Status for 4-H Clubs/Groups/Affiliates  
4-H Club/Extension Group Financial Review Checklist  
4-H Club/Extension Affiliated Group Annual Financial Report  
4-H Club Treasurer Job Description

## 4-H CLUB TREASURER JOB DESCRIPTION

You are the keeper of the money for your club. Your job is more than just collecting and spending money for your club. You must also keep an accurate record of all money collected and spent. You must be able to report to the club where the money came from and what it was spent for. As you know money is important to people, therefore it is very important you keep good records of the money you handle.

1. When you become Treasurer you should go to the bank with the Club Leader to update the signature card. Clubs should have 3-4 officers and/or leaders on the signature card, and none of them should be related.
2. Don't spend any money without club approval. A motion to pay a bill should be passed and recorded in the minutes.
3. Write checks for all expenditures. Do not pay bills with cash. Do not do business by online or internet banking. Have a bill and get a receipt.
4. Keep club money and your own money separate. Don't use club money for yourself. There may be legal consequences.
5. Club accounts should have two signatures for expenditures (checks or withdrawals).
6. Use the *4-H Treasurer's Record Book - 4-H 474* to keep your records.
7. Keep all bills and receipts, and all other information. When in doubt keep it. You can't keep too much information.
8. Answer all questions truthfully. If you don't know, say you don't know but promise to get them the answer. Then get help from your leader and get the answer.
9. Prepare a budget to guide the club. Communicate to the club its financial position.
10. Provide the following information for the 4-H club "financial review" committee:
  - Club budget
  - Treasurer's ledger report (check register)
  - Financial Institution Statements (Bank Statements)
  - Canceled checks and deposit slips
  - Receipts of all income
  - Bills for all expenses
11. Have club "financial review" committee send "Financial Review Report" to the county/district extension office by November 15.

When you make your Treasurer's report -

Start with the previous balance. "**The beginning balance was \$**\_\_\_\_\_."

State all income and where it came from. "**Income was \$**\_\_\_\_\_ **from** \_\_\_\_\_ **and \$**\_\_\_\_\_ **from** \_\_\_\_\_, **for a total income of \$**\_\_\_\_\_."

State all expenses paid. "**Expenses were \$**\_\_\_\_\_, **for** \_\_\_\_\_ **and \$**\_\_\_\_\_ **for** \_\_\_\_\_, **for a total of \$**\_\_\_\_\_."

Finish with the ending balance. "**The closing balance is \$**\_\_\_\_\_."

(This is the actual balance you have on your records and in the bank.)

Present any outstanding bills for payment. "**We have a bill from** \_\_\_\_\_ **for \$**\_\_\_\_\_ **(amount) for** \_\_\_\_\_ **(what it was for).**" Have club members pass a motion to approve payment before you pay the bill (see #1 above).

## 4-H Club/Extension Group Financial Review Checklist

To better help 4-H Clubs and 4-H affiliated groups prepare for their annual financial review a checklist has been developed to help guide you through the process. Your review committee will be successful, if you address each of the following steps:

- \_\_\_\_\_ 1. Financial Review Committee has set their meeting date well in advance of the November 15 due date to properly complete the Annual Financial Report.
  
- \_\_\_\_\_ 2. The Financial Review Committee membership consists of at least two adult leaders and two 4-H members who will meet to examine the financial reports of the treasurer. **Committee members should not be signatories on the group or clubs financial accounts OR have familial or financial relationships to the treasurer.** If you do not have enough members to make up a review committee or you are unable to do so because of familial or financial relationships to the treasurer, you could consider asking a neighboring club or non member individuals to help complete the review. This is a good practice to consider.
  
- \_\_\_\_\_ 3. The following Financial Review Information has been compiled for the review:
  - \_\_\_\_\_ Bank Account Number(s) for all financial accounts in the club or group's name and the name's of all persons on the account(s).
  - \_\_\_\_\_ Club or Group FEIN (Federal Employer Identification Number) from the IRS (your local Extension Office will have this information if you cannot find it).
  - \_\_\_\_\_ Club or Group Budget and any addendum showing anticipated income and expenses for the year being reviewed.
  - \_\_\_\_\_ Bills for all Expenses and Receipts for all Income
  - \_\_\_\_\_ All bank account statements and information beginning October 1, and ending September 30, showing all cancelled checks and deposits.
  - \_\_\_\_\_ Check register showing all checks issued indicating any voided checks.
  - \_\_\_\_\_ Completed Treasurer's Book (your local Extension Office has extra copies if you need one) provided from the Treasurer.
  - \_\_\_\_\_ Copies of meeting minutes showing treasurer's reports or other club financial report.
  
- \_\_\_\_\_ 4. When performing the Financial Review the committee should consider the following procedures:
  - \_\_\_\_\_ Check each month's reconciled bank statement and canceled checks. Make sure that the check register postings are current and complete.
  - \_\_\_\_\_ Examine all voided checks. If a voided check is not on file, verify that the check has not cleared the bank.
  - \_\_\_\_\_ Total all funds received. Verify the cash receipts were written and that funds received were listed on the check register or ledger report.
  - \_\_\_\_\_ Total all deposits made to the bank account(s). This total should equal the total of all funds received.
  - \_\_\_\_\_ Total all expenditures. Verify that a written bill(or store receipt) is on file for each expenditure. Verify that all expenditures were paid by check, not cash. Review all checks for at least two (2) signatures.

- \_\_\_\_\_ Examine the Annual Financial Report and/or the yearly summary of club expenses (see page 23 of the “The 4-H Treasurer’s Record Book” 4-H 474 revised June 2005)
  - \_\_\_\_\_ The treasurer’s total balance at the beginning of the year, plus all fund received, minus all expenditures, must equal the treasurer’s total balance at the end of the year.
  - \_\_\_\_\_ Examine club minutes for monthly financial reports and club approval of all expenditures.
  - \_\_\_\_\_ Examine the club inventory sheet (if one is available) and make sure that a letter or receipt is on file for each item, documenting donor and value.
  - \_\_\_\_\_ Note up to five major financial events or activities of the club. Make sure the Income and Expense is listed for each. Some events may only involve income, some expense and some both.
  - \_\_\_\_\_ Note any unusual expenses or income.
  - \_\_\_\_\_ Note any conditions or concerns after reviewing the club’s financial records.
  - \_\_\_\_\_ Note any recommendations upon finishing the review, passing these on to the club Treasurer for adjustment as needed.
- \_\_\_\_\_ 5. The Extension District Extension Council/District Annual Financial Review Report form is completed and returned to your local Extension Office by **November 15**. Keep a copy of your completed Report with your club’s financial records.

If you have questions or concerns regarding the annual financial review process feel free to contact:

Sarah Maass  
[semaass@k-state.edu](mailto:semaass@k-state.edu)  
785-309-5850

*This document was adapted from a form developed by the Meadowlark Extension District.*

# 4-H CLUB/EXTENSION AFFILIATED GROUP ANNUAL FINANCIAL REPORT

to be completed by the Financial Review Committee

Please complete in **INK** and submit **ORIGINAL** form.

Name of club or affiliated group (include county/district name) \_\_\_\_\_

Financial Review Date \_\_\_\_\_

Each year a financial committee of at least two adult leaders and two 4-H members will need to prepare a Financial Review of the financial records of your club or affiliated group. **Committee members should not be signatories on your group or club's financial accounts or have familial or financial relationships to the treasurer.**

Check or Savings Account Number	Bank Name and type of account Savings, checking, CD...	Beginning Balance October 1	Ending Balance September 30
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Please list the organization's employer identification number or **IRS Tax ID# or FEIN** \_\_\_\_\_

The bank records are in the possession of: \_\_\_\_\_

Persons authorized to sign on the club or affiliated group financial account(s) \_\_\_\_\_

List at least the five major financial events or activities of your club or group from the past year. Please include the income and expense from each of these events. **NOTE:** There may only be INCOME or EXPENSE, simply list a zero as it applies.

EVENT or ACTIVITY	INCOME	EXPENSE
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

List any expenses or income that looks unusual:

1. \_\_\_\_\_
2. \_\_\_\_\_

This certifies that the financial review committee has reviewed the record keeping and financial balances and finds that they are *(Please check one as it applies):*

\_\_\_\_\_ Are in Order (Complete back side of form and return to your local Extension Office)

\_\_\_\_\_ Will Be in Order upon implementation of the recommendations listed below. (List below, complete back side of the form and return the form to your local Extension Office for further instructions or comments by the date due.)

\_\_\_\_\_ Require further review and action (Further review and actions should be done within 30 days of the original financial review if possible. Recommendations should be included on this form-use additional paper if needed. A written follow up must be submitted to your local Extension Office of any actions taken. Submit this form by the date due without signatures.)

(Please Complete Other Side)

The Club or Other Affiliated Financial Review Committee found the following conditions or concerns in the financial records:

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The Club or Other Affiliated Financial Review Committee makes the following recommendations:

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We have examined the treasury records of the club or affiliated group and believe all expenses and incomes to be accurate.

*Name (Please Print)	Signature	Date
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

*\*By signing I verify that I am not a family member of the treasurer of this account, am not personally a signatory on the account and have adhered to all the guidelines established for a Financial Review Committee member.*

**PLEASE KEEP A COPY OF THIS REPORT FOR YOUR CLUB'S FINANCIAL RECORDS**

<b>EXTENSION OFFICE USE BELOW</b>
Date First Received In Office _____ Reviewed/Received By _____
____ 1. All submitted information appears to be in order. No follow up information or actions are needed.
____ 2. Corrections or additional information is needed as indicated: _____
_____
_____
_____
_____

*This document was adapted from a form developed by the Meadowlark Extension District.*