

# Managing Money Wisely



18 USC 707





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# Introduction

## Overview

The purposes of this publication are to:

- ▶ Detail the role and responsibilities of Michigan 4-H group treasurers.
- ▶ Establish a common understanding of the definitions, tools and expectations that pertain to treasurers of 4-H groups, and to county council, board and committee treasurers.
- ▶ Provide 4-H treasurers with the information they need to perform their responsibilities correctly, and keep their treasuries and records in compliance with applicable financial regulations.

### In this manual, the word:

- ▶ **“Group”** is defined as any entity that uses the 4-H name and emblem. This includes clubs or other groups (such as councils, boards and committees).
- ▶ **“Staff”** is used for 4-H program coordinators.
- ▶ **“Minutes”** are defined as the legal, auditable record of decisions made and expenditures approved at a 4-H business meeting.

## Michigan 4-H Youth Development’s Mission Statement

To create nonformal, experiential, educational opportunities designed to connect in-school learning with out-of-school-time activities that help youth thrive in a complex and changing world

## Our Promise

Young people involved in Michigan 4-H are uniquely prepared to step up to the challenges of a complex and changing world. Young people develop the skills and assets needed to be successful today and in the future through experiences that are:

- ▶ Youth directed and adult supported
- ▶ Connected to the cutting-edge research of the land-grant universities and
- ▶ Supported by volunteers grounded in the principles of positive youth development





# About Being a 4-H Officer

***Congratulations*** on your new role as a 4-H treasurer!

As treasurer, you – and all the other officers of your 4-H group – represent both the group and the 4-H program throughout the state. Your skills, abilities, standards, ideals, speech – and even your smile – represent Michigan 4-H'ers. Representing others (including the 4-H organization) is one of an officer's most important responsibilities because it exists at all times, not just while you are at a 4-H meeting. A companion manual for 4-H volunteers contains additional information. References to that manual are included in this document.

## Use of This Book

As the group's treasurer, you must follow the steps outlined in this book when handling funds on behalf of 4-H and MSU Extension. When you need to complete a form, follow the instructions given and use the examples to assist you. Make a photocopy from the blank forms included in the Appendices and fill in the blanks. For questions that require details not provided in this book, check with an adult 4-H leader or call the county MSU Extension office for guidance.

## 4-H (and Its Money) Is Publicly Owned

4-H clubs or other groups (such as councils, boards and committees) are public entities, open to all without regard to race, color, national origin, gender, gender identity, religion, age, height, weight, disability, political beliefs, sexual orientation, marital status, family status or veteran status. Since 4-H is a public organization, it is "owned" by the public, not by individuals the way a private company is owned.

Therefore, the money 4-H groups receive from dues and fund-raising events is owned by the entire 4-H group, not by any one member or volunteer of the group. A group treasury is necessary if funds are maintained for group use. The public calls for a higher standard of accountability and integrity from public groups. For this reason, it is extremely important that all 4-H groups are transparent and show the source of any money they have received and how it was disbursed. Thus it is very important that the required procedures are followed and necessary forms are submitted so the group's records are complete and up to date.

This publication is intended to protect the reputation of our 4-H members, volunteers, staff and the organization as a whole. Under U.S. Department of Agriculture and Michigan State University guidelines, MSU Extension staff have oversight over all 4-H financial transactions. The state 4-H office and the county Extension 4-H offices do not (and will not) take funds from active club or group accounts. In addition, they will hold all financial information confidential to the fullest extent allowed by law.



## Being the Treasurer of a Public Group

Because 4-H is a public group, a 4-H treasurer's responsibilities are quite different from those of a private company's treasurer. The treasurer of a private company is responsible to other company officers and to the owners or stockholders for managing and controlling the assets of the company. By contrast, a 4-H group's treasurer is responsible to other officers, members, adult volunteers, Michigan State University and to the public.

## The Treasurer's Responsibilities

A group's treasurer is responsible for taking care of its money and its checking or savings accounts. Specifically, the treasurer is in charge of "keeping the books" (that is, the group's receipt book, checkbook and check register, and the statements from its financial institution). This responsibility requires honesty, integrity and cooperation with the group's members and leaders. A 4-H treasurer can meet the high standards required by studying and following the money-handling methods found in this book. These standards apply whether a group has 25 cents or \$2,500 in its treasury. Conflicts may arise if money is not handled carefully and accurately. A 4-H group treasurer can protect himself or herself, the group's volunteer leader and the 4-H group from conflict by being careful, responsible and accurate when handling the group's finances.

Check the following items to verify that you understand and accept these responsibilities:

- Whenever requested by the county MSU Extension staff, I will report required information and I will follow the policies established by Michigan State University and MSU Extension.
- I will inform the financial institution in which my 4-H group's funds are deposited that I am the new treasurer, and sign the appropriate forms so I can write checks drawn on that account.
- I will provide the financial institution with the county Extension office's address so statements are mailed or emailed there.
- I will handle all money matters for my 4-H group.
- As soon as possible after receiving any funds my group earns or receives, I will deposit them in the group's savings or checking account.
- I will pay all of the group's bills promptly as directed by the president and approved by the members.
- I will keep accurate records of all the money related to my 4-H group.
- At each meeting, I will prepare and present a summary of income and expenses, report the current balance of all accounts and identify any funds designated for a specific purpose.
- Each year, I will prepare an Annual Financial Summary Report for all accounts and submit it to the county MSU Extension office by the date determined by the county.
- I will ask for support from my adult leader(s) or my county 4-H staff, if I have questions or concerns about 4-H financial matters.



# Documenting a 4-H Group's Finances

Table 1 below provides an overview of the various forms that the 4-H treasurer uses to document a 4-H group's finances. They appear on the table in the order in which they appear in this manual. While some of these documents are necessary for all groups, others are needed depending on the group's circumstances. For a more extensive list of forms a group may need to use, see the *Financial Manual for 4-H Volunteers*.

**Table 1. 4-H Financial Documents Overview.**

Document	Who Must Complete	When Due	Where Presented
<b>Budget</b> (p. 5)	If the group creates a budget, officers prepare the budget.	At the beginning of the 4-H year	The budget is presented to the full group membership for approval
<b>Checklist for Establishing a 4-H Group Bank Account</b> (p. 6)	4-H treasurer or administrative leader	When preparing to open an account	For use by 4-H treasurer or administrative leader
<b>Record of Club/Group Finances</b> (p. 7)	4-H treasurer of a group without a checking account. It takes the place of a check register.	Entries are made whenever funds are received and bills are paid.	Available at each group meeting
<b>County 4-H Fund-Raiser Application</b> (p. 10)	A 4-H group planning a fund-raiser	10 business days prior to the start of the fund-raiser	To 4-H staff
<b>County 4-H Fund-Raising Report Form</b> (p. 11)	The treasurer of a group holding an approved fund-raiser	Within 10 business days after the end of an approved fund-raiser	To 4-H staff
<b>Annual Participation Fees and Dues Form</b> (p. 13)	If a member (or the member's parents) does not request an individual receipt, the treasurer should use this form to record the member's participation fees or group dues.	When a member (or the member's parents) pays his or her participation fees or group dues	If the form is used, have it available at each group meeting.
<b>Treasurer's Report</b> (p. 27)	The group's treasurer	At each group meeting	<ul style="list-style-type: none"> <li>Group meeting</li> <li>If group has annual activity of more than \$2,500, county MSU Extension office (including the secretary's minutes from each meeting)</li> </ul>
<b>Annual Financial Summary Report</b> (including a copy of the secretary's minutes) (p. 27)	The group's treasurer in partnership with the group's leader	Yearly on date determined by county	To 4-H staff

# Planning a 4-H Group's Finances

## A Budget

A budget should not include expenses greater than the group's projected income. Once established, a budget can be changed or altered by vote of the membership.

It is strongly recommended that a 4-H group prepare an annual budget. A budget is a written plan for raising and spending money for a set period of time, usually one year. Developing an annual 4-H budget provides several advantages. First, all the members are involved in thinking about the year ahead and what expenses may arise. They must also think ahead about how the group will have the financial resources to pay the expected expenses. These discussions are a valuable part of planning the 4-H activities for the coming year. Once a budget is developed and approved by the members of the group, it is not necessary to seek approval for payment of items already listed in the budget. It should be reviewed and voted upon each year to make sure the information is accurate and still is applicable to the group at that time. If a group does not create a budget or items arise that are not parts of the budget, each item needs to be presented to the members for approval before it can be paid. See Figure 1 (on page 6) for a sample of one group's yearly budget.

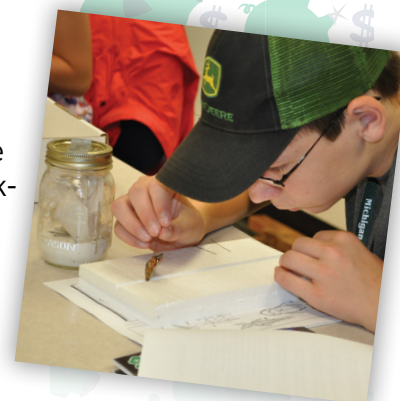
## Checking and Savings Accounts

### Setting Up an Account

All Michigan 4-H groups, other than 4-H SPIN clubs, are required to have an Employer Identification Number (EIN) and a charter. The EIN and charter are key documents needed to establish a checking or savings account.

While every Michigan 4-H group that has funds is strongly encouraged to have a checking or savings account, each Michigan 4-H group that has a minimum of \$100 (not including 4-H participation fees) in its treasury for more than 30 days is **required** to have a checking or savings account.

When selecting a financial institution, some considerations are to: (1) investigate financial institutions (both credit unions and banks) to find one that provides the best service to meet the 4-H group's needs. Work with the group's administrative leader and (2) ask about required minimum balances, monthly service fees, check-writing fees, etc. If the institution knows the account is a learning experience for the group members and that 4-H is a nonprofit, it may be able to make different arrangements, or waive fees or minimum balances.





In setting up the account:

- ▶ The name on the account must match the group name on the group’s charter.
- ▶ The account address must be that of the local MSU Extension office so account statements are mailed there. 4-H staff will make a copy for the group file and forward the statement to the leader. E-statements are strongly encouraged; inquire if statements can be emailed to the MSU Extension office **and** the 4-H leader and treasurer.
- ▶ Each 4-H group should require at least two adult leaders to be signers on the account. It is strongly preferred that no adult signer is the treasurer’s parent or guardian. No 4-H staff member may sign on any account belonging to a 4-H group. If a financial institution will allow it, it is also recommended that a youth treasurer be a signer on the account. Check with the local financial institution about its policies.
- ▶ Follow the checklist on page 36 of this publication.



**Figure 1. Sample of a Group Budget.**

<b>Income</b>		<b>Expenses</b>	
List participation fees, profit from fund-raising events, dues, donations and other money the group anticipates coming into the group.		Include participation fees, equipment, rental fees, supplies, refreshments, postage, its financial institution’s fees, insurance costs, etc. Consider all potential money the group will spend out of its treasury.	
<b>Event or Activity</b>	<b>Estimated Income</b>	<b>Event or Activity</b>	<b>Estimated Expenses</b>
Participation fees (\$10 x 20 members)	\$200.00	4-H Participation fees (\$10 x 20 members)	\$200.00
Fund-raising - Car wash	100.00	Fund-raising expenses - Car wash	10.00
Member dues (\$5 x 20 members)	100.00	Fund-raising expenses - Cookie sale	0.00
Donations	50.00	Fund-raising expenses - Valentine’s Day cards	10.00
Fund-raising - Cookie sale	150.00	Educational resources - 20 <i>Build Your Future</i> journals and 2 leader guides from 4-H Mall	246.90
Fund-raising - Selling Valentine’s Day cards	200.00	Supplies - T-shirts	80.00
		Craft supplies for fair	60.00
		Sponsorship for 2 youth to a Kettunen Center workshop	150.00
		Payment of sales tax for Valentine’s Cards	11.32
<b>Total</b>	<b>\$800.00</b>		<b>\$768.22</b>



## Guidelines for Groups Without Checking or Savings Accounts

While every Michigan 4-H group that has a treasury is strongly encouraged to have a checking or savings account, some 4-H groups operate without a checking or savings account because they have less than \$100 (not including 4-H participation fees) in their treasury for more than 30 days or they have more than \$100 for less than 30 days.

Even without a checking or savings account, groups must be responsible for their finances. Five primary differences between groups with – and without – checking or savings accounts are:

1. Location where the funds will be kept. The best alternatives to a checking or savings account (which is federally insured) would be a locked cash box or a money pouch with a lock kept in a secure location. It is also recommended that funds be kept by a group's adult leader or adult treasurer because young people cannot be held legally responsible in the case of theft.
2. Funds received must be in cash since the group has nowhere to deposit checks.
3. A group without a checking account must either pay bills with cash (not advisable), or it must purchase money orders or cashier's checks to pay bills. For your protection, copies of these money orders or checks must be recorded and maintained so there is a paper trail.

Fees for money orders vary widely from one financial institution to another. In some cases, the only option for purchasing money orders is to run the funds through the volunteer's account (not an advisable option). As a result, it is also recommended 4-H groups check with local businesses such as pharmacies or grocery stores to see if they offer money orders. These large businesses may charge less for the service than a financial institution. If a group frequently needs to purchase money orders, the cost of doing so should be researched first. The group may decide it is more economical to open an account at a financial institution.

4. Instead of a check register, the treasurer uses the Record of Club/Group Finances (see Figure 2 on page 8). A blank form is provided on page 37.
  - To ensure that the balance (the last column) always reflects the correct amount of money, it is essential that each transaction (funds received or funds paid) be entered on its own line, as in the example below.
  - In the "Date" column, write the date the transaction took place. In the "Source" or "To Whom" column, write from whom or to whom the funds came or payment was made.



Photo: © iStockphoto.com/Dvanphoto



# Handling a 4-H Group's Money

Financial recordkeeping is important and technology allows for a choice of several different electronic programs designed to track income and expenses. Volunteers, treasurers and groups are encouraged to use *Quicken*, *Excel*, *Quick Books* or other computer programs for their records. If these aren't an option, traditional pen-and-paper recordkeeping is also acceptable.

## Income

Income is money that an individual or a group receives. A 4-H group's income may come from 4-H participation fees, group dues, through fund-raisers, donations or grants. Regardless of the source of the income, it is important that the 4-H treasurer, in partnership with the other 4-H officers and adult leaders, properly receipt, acknowledge, manage, track and use the income.

## Sources of Income

### Participation Fees

Each year, 4-H youth members pay a \$10 per individual (maximum \$30 per family) participation fee when they enroll in the program. Generated from a variety of sources, this annual fee is used to support county and state programming. (See the *Financial Manual for 4-H Volunteers* for more about this.)

After a group collects participation fees, the money must be turned in to MSU Extension staff for payment to Michigan State University. It is important all who handle fees practice good money management. Follow directions in this manual for receipting and recording cash and check payments. This manual also explains how to properly record the transaction in the group treasury record and on the Annual Financial Summary Report.

### Group Dues

Unlike participation fees, 4-H group dues are not required. Rather, some groups may choose to raise money for their educational and recreational goals by charging each member or family a set fee, also called "dues." In this case the group mutually agrees on an amount that each member or family will contribute to be involved in the 4-H group. If individuals in the group do not have the financial resources to pay the dues, the 4-H leader should contact the county 4-H staff for guidance.

A group should only collect dues if it has a planned use for the funds outlined in its annual budget at the beginning of the 4-H year. It is important that the members work together to determine and mutually agree upon how the money is used. This discussion and decision should be clearly documented in the meeting minutes and in the group's annual budget. Should circumstances change during the year, the members can amend the budget by discussion and approval of a majority of the membership, again documented in the group's minutes.



For ease of collecting and tracking, it is recommended that the dues be collected at the first or second meeting of the year and within the first two meetings for any new members that join.

## Group Fund-Raisers

Local groups may choose to raise money for their educational and recreational goals through fund-raising which may include fund-raising for an occasional community service-based project. However, it is not the intent of 4-H to regularly raise money for others.

### Planning a Fund-Raiser

If a group is contemplating holding a fund-raiser, we strongly encourage the group to discuss the following items before completing the County 4-H Fund-Raiser Application (see page 38 of this publication).

- ▶ What, specifically, are the funds being raised for?
- ▶ Put in writing how and when a member will qualify to benefit from the funds.
- ▶ How much money is needed?
- ▶ How will the group keep track of funds raised? Identify the member(s) who will manage this task.
- ▶ What will the group do if enough funds are not raised to meet the group's goal? What if the group raises more funds than are needed?
- ▶ Understanding that funds raised are for the total group (not for individuals based on their level of participation in the fund-raiser), be sure to discuss how the group will handle it if some members raise fewer funds or are less active in the fund-raising activity than others.

### Fund-Raiser Review and Approval

All fund-raising activities must be reviewed and approved by the 4-H program coordinator, **before** the activity can be held. This is a federal regulation **and** the U.S. Department of Agriculture (USDA) requires such approval for all 4-H groups. Prior staff approval of a 4-H group's fund-raising activity is important because it:

- ▶ Gives the group permission to use the 4-H name and emblem for the fund-raising activity.
- ▶ Declares the event is an official 4-H fund-raising activity supported by the county program.
- ▶ Provides written prior approval of the event so 4-H volunteers are covered through the MSU Indemnification Policy (the University will support volunteers against a suit or legal proceeding when performing services, in this case the 4-H fundraising event).

To begin the review and approval process, the treasurer or the 4-H leader completes and sends the County 4-H Fund-Raiser Application to the county 4-H program coordinator, at least 10 business days before the event. (A blank copy of this form is on page 38). The county 4-H program coordinator will notify the person who submitted the application about whether or not the fund-raiser is approved. The group may hold the fund-raising event **only** if it receives this approval.





Within 10 business days after the end of the event, the treasurer or the 4-H leader must submit the County 4-H Fund-Raising Report Form (a blank copy of which is on page 39). If it is an ongoing activity, the end date must be on or before August 31 of each year.

### Fund-Raising Restrictions

Any fund-raising activity conducted for and by 4-H cannot include consumption or distribution of alcohol. Moreover, if a non-4-H entity holds a fund-raiser during which alcohol is consumed or distributed, it must not use the 4-H name and emblem in its marketing. However, after the event, it is acceptable for the entity to donate the profits of the fund-raiser to 4-H.

Due to financial security and liability concerns, 4-H groups are restricted from raising funds using online crowdfunding sites like *GoFundMe*, *DonorsChoose*, etc. An individual may choose to raise funds using these sites as long as there is no implication that the donation is being given to the Michigan 4-H program or a 4-H group. Individual use of crowdfunding sites is considered a private fund-raising effort similar to a 4-H'er asking family members and friends to help fund his or her 4-H project, except in this case the request is on a public site. As with any financial endeavor, it is the individual's responsibility to be aware of all policies and fees related to use of the crowdfunding site.

According to current Michigan State University policy, 4-H groups are also restricted from using online payment sites like *Paypal* for fund collection or payment.

MSU Extension 4-H Youth Development prohibits the use of raffles, bingo and other games of chance (for example, *Millionaire Parties*, *Texas Hold Em'* tournaments, etc.) as fund-raising activities. This is in line with the recommendations from National 4-H Headquarters. See the *4-H Fundraising, Winnings and Donors Factsheets* on the Internet. The key consideration for this decision is that state law does not allow youth involvement in fund-raising activities of these types. One of Michigan 4-H's Guiding Principles is that youth will be active participants in the learning process. This includes things like fund-raising activities that support educational programming.

### Donations

Income from donations may come in the form of cash or as noncash items such as supplies or equipment. Groups should not feel compelled to accept a donation if the donation does not fit the group's goals or the group knows it cannot meet the donor's expectations. It is important to note that the donor cannot designate a specific individual within the group to receive the cash or noncash donation.

If a donor or a grantor requires a letter stating that the group is tax exempt before it will make a donation or grant, contact the county 4-H program coordinator for assistance in obtaining this letter.

The group should accept a noncash donation only if it is prepared to accept the responsibilities of ownership including care, maintenance and storage of the item(s). Additionally, the group should consider what will happen to the noncash donation when it is no longer needed by the group.

If accepted, noncash donations should immediately be added to the Inventory of Group Property (Part 5 of the Annual Financial Summary Report, see pages 43 and 44 of this publication).



## Grants

If a 4-H group applies for a grant, including a local 4-H participation fee grant, it is required that the county 4-H staff be included in the grant-writing process. Once a group receives a grant, the group's treasurer is responsible for keeping detailed records of all income and all expenses. Following the procedures outlined in this manual will help the treasurer confidently and accurately handle this important responsibility. Any 4-H group that applies for a grant must have a checking or savings account. More information on this topic can be found in the *Financial Manual for 4-H Volunteers*.

## Receipting Income and Acknowledging Donations

In most instances, whenever the 4-H group receives income, it is the treasurer's responsibility to provide a receipt to the payee or donor.

A **prenumbered** receipt book may be available from the county 4-H staff, the group's leader or can be purchased from an office supply store. When a receipt is written, the carbon copy of the receipt must remain intact in the receipt book. The purpose of using numbered receipts is to account for every receipt. 4-H groups should have a process of routinely reviewing the receipt books to make sure every receipt number is accounted for and there are no undocumented gaps created by missing receipts.

To fill out a receipt, include the name of the person making the payment, what the payment is for (such as a plat book or a group t-shirt), the amount paid and the date. It must be signed by the person providing the receipt, usually the treasurer. (See Figure 3 below for a sample receipt.) If the treasurer makes a mistake and has to void a receipt for any reason, both the original copy and the carbon copy should be marked "VOID," stapled together and kept intact in the receipt book. The receipts are the backup documentation for any income to the group. They also provide the support for the deposits made to the group's account. Receipts become a permanent part of the group's records. Writing a receipt takes a little time, but it helps protect the treasurer's reputation by providing a valuable paper trail of all income.

**Figure 3. Sample of a Completed Receipt.**

		<b>No. 1871</b>
<b>Received from</b>	_____ Rory Kerrigan _____	
<b>For</b>	_____ Club t-shirt _____	
<b>By</b>	_____ Keon Toma _____	<b>\$</b> _____ 12.50 _____
	<b>Date</b>	_____ November 10, 2020 _____
<small>Give white copy to customer. Keep pink copy.</small>		



## Receipts for Participation Fees and Group Dues

### Use of the Annual Participation Fees and Dues Form

Instead of writing individual receipts for each person paying their participation fees or group dues, a treasurer can use the Annual Participation Fees and Dues Form. (For a sample, see Figure 4 below. A blank form is on page 40). If the group chooses not to collect dues, just disregard that section of the form.

After entering the information on the Annual Participation Fees and Dues Form, write a group receipt for the total amount paid as follows.

#### Participation Fees

Add the amount of fees paid at the meeting and write one receipt for the total amount. On the:

1. “Received from” line, write “Group Members”
2. “For” line, write “4-H Participation Fees” and the meeting date.

#### Group Dues

Add the amount of dues paid at the meeting and write one receipt for the total amount. On the:

1. “Received from” line, write “Group Members”
2. “For” line, write “Dues” and the meeting date.

In each case, leave both the original and the copy in the receipt book.

### Individual Receipts

If requested, a treasurer can write individual receipts for participation fees and group dues. If that is done for some fees but not for others, then write a group receipt for the remaining amount paid. In this way, all of the money is accounted for only once.



**Figure 4. Sample of a Completed Participation Fees and Dues Form.**

### Annual Participation Fees and Dues Form

Member's Name	Date Joined	Participation Fees		Dues - \$7.00	
		Date Paid	Amount	Date Paid	Amount
Parker Hemingway	9/5	9/5	\$10	9/12   10/14	\$3   \$4
Daniella San Clemente	9/7	9/7	10	9/12	7
Catori Pavati	9/8	9/8	10	9/12	7
Tiponi Pavati	9/8	9/8	10	9/12	7
Hudson Barnes	9/10	9/10	10	9/10	7
Keon Toma	9/10	9/10	10	9/10	7
Aamori Hamilton	9/12	9/12	10	9/12	7
David Peretz	9/14	9/14	10	10/14	7
Kayleigh Winter	9/14	9/14	10	10/14	7
Xiang Han	9/14	9/14	10	10/14	7
Rory Kerrigan	9/26	9/26	10	10/14   11/9	5   2
Aristos Stephanides	10/14	10/14	10	10/14	7
Eden Reinhold	10/30	11/9	10	11/9	7
Capriana Abbracciabene	11/9	11/9	10	11/9	7
Luke Armstrong	11/9	11/9	10	11/9	7
<b>Total</b>			<b>\$150</b>		<b>\$105</b>

## Receipts for Money From Group Fund-Raisers

When a 4-H group holds a fund-raiser such as a bake sale or car wash, it is unnecessary to write an individual receipt to each person buying a cookie or having his or her car washed. Instead, at the end of each shift of workers, the treasurer (or the shift leader) needs to write one receipt totaling the money collected. This way, each group of workers accounts for the money it receives.

At the end of the day, two people (other than the treasurer) should count all the money taken in, agree on the amount and turn the money over to the treasurer. The treasurer should verify the amount by recounting the money in the presence of those two people, arriving at the same total amount, as well as checking to make sure the receipts that have been written by the shift leaders add up to the same amount.

To protect everyone, the total amount taken in should be written on the very bottom of the day's last receipt, along with the receipt numbers that amount includes. The treasurer and the counters should write their initials confirming they all agree. See the example below.

**Figure 5. Sample of a Receipt for Money From a Fund-raiser.**

<b>No. 1858</b>
<b>Received from</b> _____ Daniella San Clemente & David Peretz _____
<b>For</b> _____ Car wash _____
<b>By</b> _____ Keon Toma _____ \$ _____ 120.50 _____
Give white copy to customer. <span style="float: right;"><b>Date</b> _____ September 18, 2020 _____</span>
Keep pink copy.
Receipt #s 1855 - 1858 = \$249.50 <i>DSC/DP/KT</i>

## Receipts for - and Acknowledgement of - Donations

The treasurer is responsible for providing the donor with a receipt and an acknowledgement within 10 business days of receiving the donation. A thank-you note to the donor is essential whenever a 4-H group receives a donation. The card should include a sincere note of appreciation and describe how the group intends to use the funds. A handwritten note is especially nice. If possible, have the members of the group sign the thank-you card. There is a document on the Michigan 4-H web site with more information about how to write a thank-you note. It is entitled *The Seven Steps to a Great Thank-You Note*.

## Receipts for Tax Purposes

If the donor requests a receipt for tax purposes, the 4-H treasurer should contact the 4-H program coordinator who will prepare and sign a letter on county Extension letterhead acknowledging the donation.



## Deposits Into Checking or Savings Accounts

### Check Endorsement

Before depositing a check, the person to whom it is payable must endorse (sign) his or her name close to the top of the box on the back of the check. Endorse checks immediately when they are received and write “For deposit only” ahead of the endorsement. If the name is spelled incorrectly, sign it exactly as it appears on the front and then sign it correctly below the endorsement. If someone writes a check payable to you that is intended for the 4-H group, return the check and have the person who wrote the check write a new one. Checks that are made payable to the group must be endorsed by signing the group’s name (as written on the check) and the treasurer’s name (see Figure 6 below).



**Figure 6. Sample of an Endorsed Check.**

<p><b>For Deposit Only</b></p> <p><i>Friends Around the World 4-H Club</i></p> <p><i>Keon Toma</i></p>
--

### Preparing Deposits

Deposit all funds promptly. If the group receives more than \$25 at any time, deposit the money within three days. The treasurer should total the receipts written since making the last deposit and compare that amount with the amount of cash, coins and checks to be deposited. The two figures should agree. If they don’t, repeat the process. In the event, the two figures still do not agree, contact the county 4-H program coordinator. When the two figures do agree, prepare a deposit ticket or slip similar to Figure 7 (on page 16). If the group has a checking account, there is usually a supply of deposit slips at the end of each pad of checks. Usually, it is also possible to pick up a blank in the financial institution’s lobby. Since these are generic deposit slips, it will be necessary to write the account number on it.

Follow these steps when filling out a deposit ticket or slip.

1. Date the deposit slip.
2. Fill in the amount of currency (bills) and coins you are depositing.
3. List each check number and its amount separately (use the back of the deposit slip, if necessary).
4. Total the amount of currency, coins and checks to be deposited, and record it as “Sub-Total.” List and subtract any cash received, and record the “Total.”

5. Record the deposit in the checking account register (see Figure 10 on page 20).
6. On the receipt the financial institution gives, write the amount and source of the funds that make up the deposit.
7. Keep the receipt with the group’s financial records.

Access to the funds may not be immediately after the check is deposited. Check with the financial institution regarding its policy.

**Figure 7. Sample of a Completed Deposit Ticket or Slip.**

DEPOSIT TICKET		DOLLARS	CENTS	
<b>Friends Around the World 4-H Club</b>		CURRENCY	75	00
DATE <u>September 21</u> 20 <u>20</u>		COIN		50
<u>Keon Toma</u>		CHECKS #882	20	00
This deposit is accepted subject to verification and to our rules and regulations		#5710	10	00
<b>Riverwood Savings &amp; Trust</b>		TOTAL FROM OTHER SIDE	15	00
❑123456789❑ 000987654 ❑		SUB-TOTAL	120	50
		LESS CASH RECEIVED		-0-
		<b>TOTAL</b>	<b>120</b>	<b>50</b>

\*\*\*\*\*  
 \*\*\*\*\*  
 11-22/345  
 If More Than 2  
 Items List on  
 Reverse Side  
 TOTAL ITEMS

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## Expenses

Expenses are the payments the group makes when it spends money.

### Approving Bills

One of a treasurer’s responsibilities is paying outstanding bills. Payments should be made **only** upon approval of the group. As mentioned earlier (in the “Budget” section that begins on page 5), if the expense is included in the annual budget, it is unnecessary to get approval again; just pay the bill and report it is paid at the next meeting. If the group has not approved a budget at the beginning of the year, it will be necessary to get approval to pay the bill at a group meeting before writing the check. When approval is received, it must be recorded in the group’s meeting minutes. This is one reason why it is wise for the group to establish a budget at the beginning of the 4-H year.

### Paying Bills

#### ATM, Debit and Credit Cards

**Current Michigan State University policy does not allow 4-H clubs, councils, boards and committees to use ATM or debit cards because access to the funds is immediate and, in the event of theft, it is extremely difficult to recoup. According to current MSU policy, credit cards in the group’s name are not allowed due to issues with fiscal control and occurrences of theft.**

## Checks Versus Cash

The best way to pay bills is with a check. Holding cash back from deposits and then using the cash to pay bills is not a good practice because it doesn't leave a record or provide proof of payment. A proper invoice and a check provide an important paper trail that protects a treasurer's reputation. For more information about groups that do not have checking or savings accounts, see "Guidelines for Groups Without Checking or Savings Accounts" that begins on page 7. This procedure is also important if a group has a savings account but not a checking account. In this case, the treasurer must use a money order or cashier's check.

## Writing Checks

**To protect a group's money, always completely fill out a check. Never sign a blank check.**

After the members approve paying a bill, write a check for the approved amount of the bill. Follow these steps when writing checks:

1. Use black or blue ink.
2. Never erase a mistake. If you make a mistake, write "VOID" on the spoiled check and start a new one. Keep the voided check, don't destroy it.
3. Write the current day's date (month/day/year) on the check.
4. Start writing the name of the person or business to whom the check is payable (the payee) as close to the "Pay to the order of" as possible. Draw a line after the name so that someone cannot make the check payable to himself or herself by adding the word "or" and his or her name.
5. Print the numbers in the amount box as close to the dollar sign as possible. This makes it hard for someone to change \$10 to \$110, for example. Begin writing the amount at the extreme left of the "Dollars" line. Draw a line to fill in the remaining space so the amount cannot be changed. Be sure the written amount agrees with the numeric amount.
6. To write a check for less than \$1, start the "Dollars" line by writing the word "Only" and then the amount. See Figure 8 (on page 18) for a sample of a check written for under \$1.
7. 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 \$1 check, for example, into a \$100 or \$1,000 check.
8. Sign the check with your authorized signature, which is the way you signed the signature card at the financial institution when you became treasurer.
9. Use the memo line to provide a short description of the purpose of the check.

Since documentation of payment is important, after writing the check, print the following on the invoice, the:

1. Word "PAID"
2. Date of payment
3. Amount paid
4. Check number
5. Treasurer's (or whoever writes the check) initials



If a check written on the group’s account is lost, notify the financial institution’s customer service department at once.

**Figure 8. Sample of a Check Written for Under \$1.**

		285
<b>Friends Around the World 4-H Club</b>		<u>November 15, 2020</u>
PAY TO		12-22/345
THE ORDER OF	<u>Dollar and Sense Store</u>	\$ <span style="border: 1px solid black; padding: 2px;">0.79</span>
<u>Only 79/100</u>		DOLLARS
<b>Riverwood Savings &amp; Trust</b>		
PURPOSE	<u>Confetti</u>	<u>Keon Toma</u>
⑆123456789⑆ 000987654 ⑆0285		

**Figure 9. Sample of a Check Written for \$1 or More.**

		286
<b>Friends Around the World 4-H Club</b>		<u>November 15, 2020</u>
PAY TO		12-22/345
THE ORDER OF	<u>By the River Grocery</u>	\$ <span style="border: 1px solid black; padding: 2px;">52.81</span>
<u>Fifty-Two and 81/100</u>		DOLLARS
<b>Riverwood Savings &amp; Trust</b>		
PURPOSE	<u>Food for the World Fair</u>	<u>Keon Toma</u>
⑆123456789⑆ 000987654 ⑆0285		

## Keeping Payment Records

After writing a check to pay a bill, write the check number and date of the check on the itemized bill, invoice or receipt. This will become a permanent part of the treasurer’s records. This very important practice protects the treasurer’s reputation by creating a paper trail.

**An itemized bill, invoice or receipt contains the name of the vendor, the date of purchase, and it lists individually all items purchased and their cost.**



## Maintaining the Check Register

Maintaining accurate financial records includes reconciling a checking account. Reconciliation is important because it makes it easy to:

- ▶ Know how much money the group has (the account balance) at any given time.
- ▶ Compare checks that were written with those that have cleared the financial institution
- ▶ Develop a budget by keeping track of expenses and income.

Today, computer software programs (such as *Quicken* and *Quick Books*) can help make bookkeeping easier. However, when working without computer assistance, follow these steps to keep the 4-H group's check register up to date. The register comes from the financial institution along with the checks.

1. Write the check number and the date it was written in the appropriate columns.
2. In the "description of transaction" column, write to whom the check was made payable on the first line. On the shaded line below, describe what the entry (income or expense) was for.
3. Enter the check amount in the "payment/ debit" column and in the balance column. Then subtract the check amount from the remaining balance on the line above and enter the new balance immediately below.
4. You can use the "T" column at the end of each month when reconciling the account against the statement from the financial institution. Use this space to mark checks that have cleared the financial institution (this information comes from the financial institution's statement), or the checks that have been returned to you.
5. The "Fee, if any" column is the place to list fees the financial institution has charged the group for cashing or purchasing checks or for preparing an account statement. Any fees will appear on the account statement. Enter the fee amount and subtract it from the account balance.
6. Record the amount of any deposits in the "deposit/credit" column. Then add the deposit amount to the account balance on the line above and record the new account balance immediately below.



Figure 10 below shows that:

- ▶ A \$12.50 deposit was made on November 10.
- ▶ Check 285 for \$.79 was written on November 15 to the Dollar and Sense Store.
- ▶ Check 286 for \$52.81 was written on November 15 to the By the River Grocery.

**Figure 10. Sample of a Check Register.**

Checking Account Register										
RECORD ALL CHARGES OR CREDITS THAT APPEAR ON YOUR ACCOUNT										
NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/ DEBIT (-)		✓ T	FEE IF ANY (-)	DEPOSIT/ CREDIT (+)		BALANCE	
	11/10	<i>Deposit - Kerrigan t-shirt</i>					12	50	\$572	63
									+12	50
									585	13
285	11/15	<i>Dollars and Sense Store - Fair confetti</i>		79					-	79
									584	34
286	11/15	<i>By the River Grocery - Fair food</i>	52	81					-52	81
									531	53

## Appropriate Use of Funds

### Source of Funds

It is imperative that 4-H groups keep detailed records of the source of their funds and how they spend them. How a 4-H group can use the money in its treasury depends largely on how the money was originally raised. Did the money come from group dues, a group fund-raiser, a donor or another source? For more information, discuss fund-raising and the appropriate use of funds with the group's leader. Also see the *Financial Manual for 4-H Volunteers*.

### Criteria for Using a 4-H Group's Funds

The following criteria are important in ensuring that a 4-H group's funds are used appropriately:

1. Activities on which funds are spent must be available to all youth in the group. Of course, this needs to take into account that there may be situations when some group members will be unable to participate, but who will qualify for the opportunity at another time in their 4-H career. In such a situation, the group must have a clear, **written process**. It is suggested that 4-H groups share the process they develop with their county 4-H staff so the staff can give feedback and be supportive, if there are challenges later.
2. All group members must discuss and approve the use of the funds for this purpose. Ideally, this should happen at the beginning of the year when the group sets its annual budget, but it may happen later if the situation arises.
3. The vote or consensus of the membership must be documented in the group's meeting minutes.
4. The purposes for which 4-H funds are used must be educational. Spending group funds can be educational when all of the group's youth are involved in the activity's planning, set-up, coordination, execution, etc. The members can learn many life skills in the process. It can also be a significant bonding and horizon-expanding experience for all involved.

### Concerns About a 4-H Group's Finances

If an individual or group expresses concern about the way a 4-H group is spending its money, the person or group with the concern should put it in writing and give it to the 4-H program coordinator. Then, the program coordinator **must** investigate the alleged misuse of 4-H funds. The 4-H program coordinator has the authority to require that groups submit their financial records to the MSU Extension office for review at any time. Concerns can be settled quickly if groups have kept their books up to date and have followed the guidelines found in this publication.



## Tax

This section discusses general information about federal income tax and state sales tax, and how they relate to Michigan groups.

### Federal Income Tax

Since Michigan 4-H groups are part of Michigan 4-H Youth Development, which is part of Michigan State University Extension, Michigan 4-H groups are part of Michigan State University (MSU). MSU is exempt from paying federal income tax on its income. Therefore, 4-H groups are also tax exempt. For more information about federal-income tax policy and 4-H, ask the group's leader.

### State Sales Tax

#### Tax-Exempt Purchases

Since the State of Michigan (SOM) exempts MSU from paying sales tax on items it purchases, groups may use MSU's exemption for purchases used for the 4-H program. Examples of instances when a group may and may not make tax-exempt purchases are:

- ▶ **Yes:** For a community-service project, the Friends Around the World 4-H Club purchased material to make dog toys and beds for a shelter.
- ▶ **No:** Luke Armstrong purchased supplies for his personal 4-H project (raising and showing a dog).

To make sales tax-exempt purchases, the leader needs to work with the 4-H program coordinator who will complete the necessary paperwork. For more information about this, see the *Financial Manual for 4-H Volunteers*.

### Collection of State Sales Tax on Items Sold

**Being tax exempt on things purchased does not release a group from the obligation to collect and remit sales tax on items it sells.**

Therefore, if a 4-H group resells the items purchased, or portions of them, the group is legally required to collect sales tax. When 4-H groups resell tangible personal property, **they must include sales tax in the purchase price.** This is called "inclusive tax." **The State of Michigan recommends that there be a sign near the price or near the register where purchasers pay that reads "Price includes Michigan sales tax"** (see the sign on page 41 of this publication).

This requirement that 4-H groups collect sales tax on the items it resells also applies to silent and live auctions; the amount of sales tax due is calculated on the final bid. When members create and then sell their 4-H products, they must also collect and remit sales tax. If, however, the group gives away the items, no sales tax is due.





According to Michigan 4-H policy, food sold at concession stands (priced or paid for by donations) is taxable. Tickets for an event that includes a meal must have sales tax built into the ticket price. These events are similar to restaurants where food is immediately consumed and sales tax is charged. Bake sales are not taxable because the food is not intended for immediate consumption similar to a grocery store. For more information, refer to the table on pages 24 to 25 of this document.

After a group has a fund-raiser, it is wise to calculate the amount of sales tax due and hold those funds aside so the money is available in the fall, when it is due. Sales tax collected must be turned in **annually** with the Annual Financial Summary Report. The county Extension office must remit the sales tax to Michigan State University, which will make payment to the State of Michigan (SOM) on behalf of the 4-H group.

Livestock sales fall under different laws and are not taxed in the same way as other tangible property. For more detailed information on this process, see Table 2 on pages 24 and 25.

## Submitting State Sales Tax That Has Been Collected

### Calculating the Sales Tax Due

All sales tax collected must be remitted to the SOM. Sales tax collected must be turned in **annually** with the Annual Financial Summary Report. The amount of sales tax due will be calculated when completing Part 3 of the Annual Financial Summary Report. (See Figure 12 on pages 33 and 34 for a sample of this report; a blank form is on pages 43 and 44.)

### Paying Sales Tax

To pay sales tax:

1. The treasurer will write a check or money order, payable to “Michigan State University,” in the amount of the tax.
2. The treasurer will submit the Annual Financial Summary Report and the check or money order to the county MSU Extension office.
3. The county MSU Extension office will forward the sales tax payment to Michigan State University.
4. The university will make the payment to the State of Michigan on behalf of the 4-H group.



Photo: © iStockphoto.com/Matthew Benoit

**Table 2. Payment and Collection of State Sales Tax.**

Circumstance	Who Pays?	Who Collects?	Required Procedure
<p>The State of Michigan (SOM) exempts MSU (and therefore 4-H) from paying sales tax on items it purchases for the 4-H program that are not going to be resold outside the 4-H group.</p>	<p>No one pays</p>	<p>No one collects</p>	<p>The group’s leader must obtain SOM Form 3372 from the 4-H program coordinator to take to the vendor to prove the group’s tax-exempt status at the time of the purchase.</p> <p><b>Example:</b> The Friends Around the World 4-H Club bought t-shirts for their group to wear at their meetings and other 4-H functions. Before they paid for the t-shirts, their leader, Katrina VanderMuelen, asked the county 4-H program coordinator, Laerke Paulsen, for a completed Form 3372. Katrina told Laerke this was a one-time purchase. Laerke then completed the form and gave it to Katrina, who provided it to the vendor. The group did not pay sales tax.</p> <p>Likewise, when the Friends Around the World 4-H Club sold the t-shirts to its members and leaders (to wear at their meetings and other 4-H functions), the members and leaders did not pay (and the group did not collect) sales tax.</p>
<p>Sales tax is not due or collected for:</p> <ul style="list-style-type: none"> <li>• Project animals auctioned through a production livestock auction.</li> <li>• Services such as a stipend received for clerking at a county fair livestock auction.</li> <li>• The sale of food not meant to be immediately consumed such as bake sales, candy, cookie dough or pizza kits.</li> <li>• Proceeds from services such as car washes and babysitting at an event.</li> </ul>	<p>No one pays</p>	<p>No one collects</p>	<p><b>Example:</b> The Friends Around the World 4-H Club held a bake sale to raise money for their Around the World Fair. They did not need to charge sales tax on the items sold because the food was not meant to be consumed immediately.</p> <p>The Friends Around the World 4-H Club offered leaf raking to community residents as a fund-raiser. Since leaf raking is a service, the club did not need to charge sales tax.</p>
<p>Sales tax is due on items at live and silent auctions (excluding, as mentioned above, live animals marketed through a production livestock auction).</p>	<p>Purchaser pays; tax amount is calculated on the final bid.</p>	<p>Vendor (the 4-H group) collects</p>	<p><b>Example:</b> As a fund-raiser, the Washington County 4-H Advisory Council held a live and silent auction at the county fair. At the registration table, they prominently displayed a sign that stated “Bid includes Michigan sales tax” (inclusive tax). After the event, the council treasurer, Chad Holmes, added up all the income from the two auctions. To determine the tax due, Chad divided the income by 17.67. At the end of the 4-H year when Chad prepared the Annual Financial Summary Report, he wrote a check (payable to “Michigan State University”) for the amount of sales tax due and submitted it along with the report to the county MSU Extension office.</p>
<p>Sales tax is not due on the commission a 4-H group (such as a livestock council) keeps following an animal auction as long as the animal was sold for agricultural purposes.</p>	<p>No sales tax is collected</p>	<p>No sales tax is collected</p>	<p><b>Example:</b> The Washington County 4-H Livestock Council held an auction of live animals. Because all of the animals were being sold for agricultural purposes (showing, breeding, consumption), no sales tax was collected.</p>

**Table 2. Payment and Collection of State Sales Tax, continued.**

Circumstance	Who Pays?	Who Collects?	Required Procedure
<p>Sales tax is due on items that 4-H members make and then sell.</p>	<p>Purchaser pays</p>	<p>Vendor (the 4-H group) collects</p>	<p><b>Example:</b> Members of the Crafty Clovers 4-H Club made a variety of items to sell at their school bazaar including picture frames, jewelry, knitted hats, etc. At the registration table, they prominently displayed a sign that stated “Price includes Michigan sales tax” (inclusive tax). After the event the club treasurer, Haven Cullum, added up the income. To determine the tax due, Haven divided the income by 17.67. At the end of the 4-H year when Haven prepared the Annual Financial Summary Report, she wrote a check (payable to “Michigan State University”) for the amount of sales tax due and submitted it along with the report to the county MSU Extension office. The club was not responsible for sales tax on the four hats they knit and donated to the local shelter.</p>
<p>When 4-H groups purchase tangible, personal property to <b>resell</b> outside the group, the group is serving as the “vendor.” Examples of tangible, personal property include:</p> <ul style="list-style-type: none"> <li>• Craft items</li> <li>• Tack</li> <li>• Cookbooks</li> <li>• Group t-shirts or hats</li> <li>• Calendars</li> <li>• Plat books</li> <li>• Bulletins</li> <li>• Concession stand sales (priced or through a freewill donation)</li> </ul> <p>When the 4-H group resells these items to the general public, the purchaser pays (and the 4-H group collects) sales tax.</p>	<p>Purchaser pays (included in the purchase price)</p>	<p>Vendor (the 4-H group) collects</p>	<p>When 4-H groups resell tangible personal property, <b>they must include sales tax in the purchase price.</b> This is called “inclusive tax.” When setting the selling price, it is important the group include the tax. <b>The State of Michigan recommends that there be a sign near the price that states “Price includes Michigan sales tax”</b> (see the sign on page 41 of this publication). After the sale, the group calculates the tax due by dividing the money collected by 17.67. For example, if the group raised \$100 at the event, it would owe \$5.66 in sales tax.</p> <p>After a group has a fund-raiser, it is wise to calculate the amount of sales tax due and hold those funds aside so the money is available in the fall, when it is due. Sales tax collected must be turned in <b>annually</b> with the Annual Financial Summary Report. The tax is recorded in Part 3. State Sales Tax (see pages 43 to 44 of this publication).</p> <p><b>Example:</b> At the end of the 4-H program year (after August 31), the Friends Around the World 4-H Club calculated it received \$468.55 (see the sample Annual Financial Summary Report on pages 33 and 34 of this publication) in taxable income. The treasurer, Keon Toma, divided the “Taxable sales subtotal” line (B) by 17.67. The result is \$26.52 (see Part 3. State Sales Tax of the sample Annual Financial Summary Report on pages 33 and 34 of this publication).</p> <p>After the leader, Katrina VanderMuelen, reviewed the report and signed it, Keon prepared and signed a check, made payable to “Michigan State University” in the amount of \$26.52. He gave the check to Katrina. She sent it, with the Annual Financial Summary Report, to the county 4-H program coordinator, Laerke Paulsen. In turn, Laerke sent the check to the University which will remit the check to the State of Michigan.</p>
<p>A 4-H group does not pay sales tax when members take orders from customers rather than purchasing the items to resell (for example, when selling candles as a fund-raiser). It is the responsibility of the company selling the items to include sales tax in the purchase price and remit the tax to the State of Michigan.</p>	<p>The purchaser pays the sales tax to the company</p>	<p>The company selling the items</p>	<p>No procedure is required of the 4-H group.</p> <p><b>Example:</b> As a fund-raiser, the Friends Around the World 4-H Club sold candles from the ABC Candle Company. The 4-H group did not purchase the candles but rather the members took orders (thus, the group was only serving as a pass through). Purchasers made their checks payable to the 4-H group; the group wrote one check to the company for all the candles ordered. The ABC Candle Company sent the 4-H group a check for the amount they earned based on the number of candles sold. The 4-H members did not collect and remit sales tax because the ABC Candle Company was responsible for collecting the sales tax (in the selling price) and remitting the tax to the State of Michigan.</p> <p>Note that it doesn’t matter if purchasers make their checks out directly to the fund-raising company or to the 4-H group – in either case, the 4-H group does not pay sales tax.</p>

## Keeping a 4-H Group's Financial Records

The treasurer is responsible for keeping receipts and other financial records to support the group's financial activities for at least **seven years**.

## What Happens to a 4-H Group's Money and Property When the Group Disbands?

When a group disbands, there are procedures that need to be followed. For more information about this, see the *Financial Manual for 4-H Volunteers* and contact the 4-H program coordinator to follow the procedures to officially disband the group.



Photo: © iStockphoto.com/kiddy0265



# 4-H Financial Reports

## The Treasurer's Report

The treasurer's report (see Figure 11 on page 28 for a sample; a blank original is on page 42) informs members of the group's financial activity since the last meeting. After completing a copy of the report, the treasurer circulates a copy of the report and the account statement at the group's meeting. If the group did not establish an annual budget or an item is not covered in the budget, it will be necessary to present the bill to be paid in the next month to the group. This is one of the advantages of preparing a budget at the beginning of the year.

After the group has reviewed the treasurer's report and verified that it is reconciled with the account statement, a member moves to accept the treasurer's report; the motion is seconded and the group votes on the motion. Once the motion is approved, the secretary enters a copy of the treasurer's report into the minutes. The treasurer keeps the account statements, invoices, receipts, Annual Financial Summary Reports and all receipt books in the group's permanent records for at least seven years.

## Annual Financial Summary Report

### What Is It?

The Annual Financial Summary Report lists a 4-H group's financial activities during the program year (September 1 to August 31).

### Why Is It Important?

Michigan 4-H Youth Development is part of Michigan State University Extension, which is part of Michigan State University. Thus, all funds raised in the name of 4-H are public monies and it is important that 4-H members and volunteers effectively manage funds raised as part of the activities of a 4-H group.

Additionally, for a 4-H group to maintain its tax-exempt status with the IRS, once a year, the county 4-H program coordinator or the group's tax accountant will file an appropriate version of IRS Form 990 for the group. Since the "total income for the year" line on the group's Annual Financial Summary Report is the basis on which the form is filed, **it is imperative that the group's Annual Financial Summary Report be turned in on the date specified by the county.**

### Who Must Complete It?

**Any group, other than a 4-H SPIN club, that uses the 4-H name and emblem must complete and file a copy of this report** whether or not it handled any money during the year. This means **groups without a treasury – whether or not their participation fees pass through the group – must complete the form** (with zero [0] balances) and submit it by the designated date.

It is recommended that the group treasurer complete this report in conjunction with the group leader.



Figure 11. Sample of a Completed Monthly Treasurer’s Report.

Group Name: Friends Around the World 4-H Club

## Treasurer’s Report

**1. Beginning Balance**  
 Date 11/1/2020 Balance \$ 572.63

**2. Money Received** (Attach additional page, if necessary.)  
 Amount \$ 12.50 purpose From Rory Kerrigan for one club t-shirt  
 Amount \$ 212.00 purpose Holiday card sale  
 Amount \$ \_\_\_\_\_ purpose \_\_\_\_\_  
 Total Received \$ 224.50

**3. Expenses** (Attach additional page, if necessary.)  
 \$ .79 to whom Dollars and Sense Store purpose Confetti  
 \$ 52.81 to whom By the River Grocery purpose World Fair food  
 \$ \_\_\_\_\_ to whom \_\_\_\_\_ purpose \_\_\_\_\_  
 Total Expenses \$ 53.60

**4. Closing Balance**  
 Date 11/30/2020 Closing Balance \$ 743.53

**5. If the group has a checking or savings account:**

a. Add back checks that have not shown up on the account statement	(+)	<u>21.01</u>
b. Subtract deposits not showing up on account statement	(-)	<u>0.00</u>
c. <b>Adjusted balance</b> should agree with account statement	(=)	<u>722.52</u>

**6.** Amount of restricted funds, if any, included in either closing or adjusted balances above \_\_\_\_\_

Include clear copy of account statement that agrees with the total closing or adjusted balance above.

Prepared by (Treasurer’s Signature) Keon Toma Date 12/4/2020  
 Accepted by (President’s Signature) Tiponi Pavati Date 12/5/2020

4-H SPIN clubs must complete a 4-H SPIN Club Record of Finances instead of an Annual Financial Summary Report. The group Leader should consult the local 4-H staff about this.

## Other Uses for It

This report can also be adapted for use as a treasurer's report if the group wishes.

## How to Complete It

Use the instructions in Table 3 on pages 30 to 32 to help complete and send in the Annual Financial Summary Report. **Send this report**, a check for the sales tax (if the group owes any), a copy of the treasurer's report and a copy of the secretary's minutes **to the county MSU Extension office by the date determined by the county**. (See the sample report on pages 33 and 34. A blank original is on pages 43 and 44.)

## What If a Group Fails to Submit Its Annual Financial Summary Report?

As mentioned previously, all funds raised in the name of 4-H are public monies, and it is a group's yearly responsibility to complete this report and submit it to the county 4-H staff by the county's deadline. Failure to comply with the county deadline may result in the closure of the group for violation of the federal law governing 4-H groups and it may result in legal action. If the group is inactive, it is still required to complete this report for its final year. For more about this, see page 26 of this publication.



Photo: © iStockphoto.com/kiddy0265

**Table 3. Instructions for Completing the Annual Financial Summary Report.**

Report Section	Report Line	Part or Line Instructions
Part 1		Complete Part 1 with the year covered by the report, the county, 4-H group's name and its Employer Identification Number (EIN). Fill in the remainder of Part 1 if the group had an account at a financial institution during the report period.
Part 2		<p><b>For the reporting year, if the group (1) had no treasury, (2) had no income or expense, (3) did not handle participation fees, (4) held no fund-raisers and (5) collected no donations,</b> enter zeroes in each space A through F. Go to Part 4.</p> <p><b>However, the group must complete Part 2 if it did any of the following: (1) had a treasury, (2) collected or spent funds, (3) handled participation fees, (4) engaged in fund-raisers or (5) accepted donations.</b></p>
Part 2	Adjusted treasury balance as of September 1 of last year	<p>To the right of the "\$" after (A), enter the balance the group had on hand in a financial institution (or in a safe place at home if the group had less than \$100 and did not have an account).</p> <p>For groups with an account, the beginning adjusted treasury balance is the beginning balance on the September statement (of last year) plus any checks, and minus any deposits, that were made prior to September 1 that had not yet cleared.</p>
Part 2	Taxable sales income	<p>On lines 1 and 2, list the income the group earned in the period by selling tangible personal property (such as craft items, tack, cookbooks, calendars, plat books, bulletins and food prepared on site such as concession-stand sales). List the event or activity, the date and the total amount raised.</p> <p>In addition to tangible personal property, the following sources of income are taxable. The amount earned must be included in this section of the report:</p> <ul style="list-style-type: none"> <li>• When a 4-H group holds a livestock auction or an animal sale, it is not responsible for reporting on the total amount of the sale. Since the sale is considered to be a transaction between two individuals, the seller and the buyer, and the council is viewed only as the transaction's broker, the council's income is only what it keeps as a sale commission. The amount of the sales commission is not taxable.</li> <li>• When a 4-H group auctions (in both live and silent auctions) or sells animals that were donated to the 4-H group, the income the group earns is not taxable.</li> <li>• When a 4-H group auctions (in both live and silent auctions) items other than animals or prepared food (such as gift baskets, flowers, a fishing trip, etc.), the income the group earns is taxable.</li> </ul> <p>If more lines are needed to record the group's taxable sales, list them on an additional sheet. Enter the total from the additional sheet on line 3.</p>
Part 2	Taxable sales subtotal	Add the amounts in lines 1 through 3. Enter the total in the box to the left of (B).
Part 2	Nontaxable income	<p>On line 1, list the total 4-H participation fees the leader or group collected.</p> <p>On line 2, report total monetary donations received.</p> <p>On lines 3 and 4, list income from group dues, grants and services such as car washes and babysitting, the sale of food not prepared on site such as bake sales, candy sales, cookie dough or pizza kits. List the event or activity, the date and the total amount raised.</p> <p>If more lines are needed to record the group's nontaxable income, list them on an additional sheet. Enter the total from the additional sheet on line 5.</p>
Part 2	Nontaxable income subtotal	Add the amounts in lines 1 through 5. Enter the total in the box to the left of (C).



**Table 3. Instructions for Completing the Annual Financial Summary Report, continued.**

Report Section	Report Line	Part or Line Instructions
Part 2	Total income for the period	Add together the two subtotals (B) and (C), and enter the amount to the right of the “\$” after (D).
Part 2	Expenses	On line 1, list the amount of 4-H participation fees paid to the MSU Extension office. Use lines 2 to 5 to summarize expenses for each event or activity. List the event, the date and the total amount spent (for example, a pizza party might include pop, pizza, plates, cups, napkins and cookies). Be sure to include information from prizes awarded at fund-raisers and sales tax recorded on last year’s Annual Financial Summary Report (Part 3). If more lines are needed to record the group’s expenses, list them on an additional sheet. Enter the total from the additional sheet on line 6.
Part 2	Total expenses for the period	Add the amounts in lines 1 through 6 and enter the total in the box to the right of the “\$” after (E).
Part 2	Account balance at end of the period	Add together the treasury balance at the beginning of the period <b>(A)</b> and total income for the period <b>(D)</b> . <b>From that amount</b> , subtract total expenses for the period <b>(E)</b> . <b>Enter this amount</b> in the box to the right of the “\$” after <b>(F)</b> .
Part 2	Add checks Subtract deposits Adjusted balance	<b>Does</b> the amount in <b>(F)</b> “Account balance at end of the period” <b>agree with the statement balance on September 1 of the current year?</b> If <b>yes</b> , enter “0” next to (G) and (H). Enter the account balance next to (I). If <b>no</b> : <b>1.</b> Total the checks written that have not shown on the current year’s September statement. Enter this total next to (G). <b>2.</b> Total the deposits made that have not shown on the current year’s September statement. Enter this total next to (H). <b>3.</b> Add together (F) and (G). <b>4.</b> Subtract (H) from the total of (F) and (G). <b>5.</b> Enter this amount next to the “\$” after (I). This action is essentially the same as reconciling a checkbook; it figures the adjusted balance. <b>Note: If (I) still does not agree with the beginning statement balance of September 1 of the current year</b> , go back and check that all of the period’s income and expenses were included. If the figures still do not agree, review the period’s financial transactions with a new person who has not been involved with the treasury. The county 4-H staff person may be able to provide guidance.
Part 2	Please respond	Respond to the two statements and the one question at the end of this section. If clarification is needed, contact the county 4-H staff person.
Part 3		If the 4-H group had taxable sales income [Part 2, line (B) - Taxable sales subtotal], complete Part 3. Follow the instructions in the box to figure the amount of sales tax due. Make a check or money order payable to “Michigan State University” and submit the check, along with the completed Annual Financial Summary Report to the MSU Extension office by the county’s deadline. Record this amount as an expense on <b>next year’s</b> Annual Financial Summary Report. If the group had no taxable income, skip Part 3 and go to Part 4.

**Table 3. Instructions for Completing the Annual Financial Summary Report, continued.**

Report Section	Report Line	Part or Line Instructions
Part 4		<p><b>If the group had <u>no</u> account</b> at a financial institution during the reporting period, verify by signing on the line.</p> <p><b>If the group <u>had</u> an account</b> at a financial institution during the reporting period, do <b>not</b> sign Part 4. Go to Part 5.</p>
Part 5		<p><b>4-H group property includes all the items purchased using 4-H funds and any items donated to the 4-H group.</b></p> <p><b>If the group has <u>no</u> property</b>, verify by signing on the line.</p> <p><b>If the group <u>has</u> property</b>, list all existing property the group owns. Provide the requested information to the best of your knowledge. If more space is needed, attach an additional sheet. Once an item has been listed as “discarded” on the inventory, it does not need to be listed on future Annual Financial Summary Reports.</p>
Part 6		<ol style="list-style-type: none"> <li>1. Sign the report, and include your phone number and the date.</li> <li>2. Have another person in the 4-H group review and approve the report.</li> <li>3. Then take it to the 4-H staff person for approval, along with: <ul style="list-style-type: none"> <li>• A copy of the treasurer’s report</li> <li>• A copy of the secretary’s minutes</li> <li>• A check or money order (payable to “Michigan State University”), <b>if sales tax is due.</b></li> </ul> </li> </ol>



Photo: © iStockphoto.com/filmfoto

**Figure 12. Sample of a Completed Annual Financial Summary Report.**

## Annual Financial Summary Report

**Directions: Complete each section of this report** whether or not the group had a treasury, collected or spent funds, accepted donations or had property within the report period. **Groups without a treasury, and whose participation fees did not pass through the group,** must still complete the form (with zero [0] balances) and submit it by the county's designated deadline.

Part 1. Group Information		
<b>For the period</b> September 1, 20 <u>20</u> to August 31, 20 <u>21</u>	<b>County</b> <u>Washington</u>	
<b>Group name</b> <u>Friends Around the World 4-H Club</u>	<b>EIN</b> <u>123456789</u>	
<b>Financial account</b> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> <b>Type</b> Checking <input checked="" type="checkbox"/> Savings <input type="checkbox"/> CD/Money Market <input type="checkbox"/> Other <input type="checkbox"/>		
<b>Financial Institution Name</b> <u>Riverwood Savings and Trust</u>		<b>Account #</b> <u>821775</u>
<b>Signatories</b> <u>Keon Toma</u> , <u>Tiponi Pavati</u> , <u>Katrina VanderMuelen</u>		

Part 2. Group Income and Expenses			
<b>Adjusted treasury balance as of September 1 of last year</b>	A		\$ 476.15
<b>Taxable sales income</b> (list each separately; attach additional sheet if necessary)			
1. Holiday card sale (11/5/20)		212.00	
2. Cookbook sale (4/17/21)		150.00	
3. Total from additional sheet		106.00	
<b>Taxable sales subtotal</b> (add items 1-3 above)		\$ 468.55	B
<b>Nontaxable income</b> (list each separately; attach additional sheet if necessary)			
1. 4-H participation fees collected		150.00	
2. Total monetary donations received		141.25	
3. Riverwood Area Foundation grant for Around the World Fair		500.00	
4. Bake Sale (2/10/21)		108.75	
5. Total from additional sheet		525.15	
<b>Nontaxable income subtotal</b> (add items 1-5 above)		\$ 1,425.15	C
<b>Total income for the period</b> (add B and C)	D	plus	\$ 1,893.70
<b>Expenses</b> (list each separately; attach additional sheet if necessary)			
1. 4-H participation fees paid to the MSU Extension office		150.00	
2. Member t-shirts (9/10/20)		180.00	
3. Project curriculum (9/22/20)		130.00	
4. Cards for holiday card sale (10/7/20)		159.00	
5. Around the World Fair food and supplies (11/22/20)		728.28	
6. Total from additional sheet		443.95	
<b>Total expenses for the period</b> (add lines 1-6 above)	E	minus	\$ 1,791.23
<b>Account balance at end of the period</b> (add A and D; then subtract E)	F	equals	\$ 578.62
Add checks that have not shown up on statement	G	plus	15.50
Subtract deposits that have not shown on statement	H	minus	22.28
<b>Adjusted balance</b> (should agree with account statement)	I	equals	\$ 571.84

**Please respond** to the following:

1. The account statement was reconciled each month. Yes  No
2. There is written documentation that all expenses were approved through an approved budget or by a vote of the full membership. Yes  No
3. What was the group's total account balance as of June 30 of this period? \$ 494.60

**Figure 12. Sample of a Completed Annual Financial Summary Report, continued.**

### Part 3. State Sales Tax

Complete this section if the group has taxable sales (Part 2, line B).

Total taxable sales (Part 2, line B): \$ 468.55

Divide the amount by 17.67 = \$ 26.52 **This is the amount of sales tax the 4-H group owes.**

Make check or money order payable to "Michigan State University" and **submit the check with this Annual Financial Summary Report** to the MSU Extension office **by the county's deadline.**

### Part 4. Verification of No Account at a Financial Institution

A signature in this box verifies that this 4-H group did **not have an account at a financial institution during this report period.** It further verifies that the group had less than \$100 (not including 4-H participation fees) in its treasury for more than 30 days.

If the 4-H group opens an account at a financial institution in the future, the group must notify the county MSU Extension 4-H staff within 10 business days.

### Part 5. Inventory of 4-H Group Property

"4-H group property" is defined as all items purchased with 4-H group funds as well as all items donated to the 4-H group.

If the 4-H group has no property, verify by signing here: \_\_\_\_\_

If the 4-H group has property, list below and on additional sheets if necessary, all **existing** group property. List consumable items (such as food, tape or paper plates) only if the amount is so significant that the items will last more than a year.

If the group disbands, all nonconsumable (not eaten or worn) property must be returned to the MSU Extension office within 10 business days of the group's final date of operation.

Year Purchased or Received	Quantity	Item Description	Value When New	Storage Location	If Discarded Last Year, Explain Why
2012	1	4-panel tabletop display board	94.99	Xian Han's house	Fabric tearing
2015	1	Set of the world's flags	183.60	Hudson Barnes' house	
2015	1	Tabletop U.S. and 4-H flag set	27.95	Hudson Barnes' house	
2017	1	Storage cabinet for supplies	157.29	Hudson Barnes' house	
2018	1	Popcorn machine	99.99	Kayleigh Winter's house	
2019	1	Snow cone maker	54.69	Eden Reinhold's house	
2010	1	Copies, 4-H Backpack to Adventure	65.00 each	Mrs. VanderM's house	

### Part 6. Signatures, Review and Approval

<u>Keon Toma</u>	<u>517-789-1011</u>	<u>September 10, 2021</u>
Signature of person who prepared this report	Phone	Date
<u>Katrina VanderMuelen</u>	<u>517-910-1112</u>	<u>September 12, 2021</u>
Signature of person who reviewed and approved this report	Phone	Date
<u>Laerke Paulsen</u>	<u>September 18, 2021</u>	
Signature of 4-H staff who approved this report	Date	

# Appendices

The following pages contain blank copies of the forms mentioned in the preceding pages. Make photocopies of these forms as they are needed, and then complete them.

▶ Checklist for Establishing a 4-H Group Bank Account.....	36
▶ Record of Club/Group Finances .....	37
▶ County 4-H Fund-Raiser Application.....	38
▶ County 4-H Fund-Raising Report Form .....	39
▶ Annual Participation Fees and Dues Form.....	40
▶ Michigan Sales Tax Sign for an Event.....	41
▶ Treasurer’s Report.....	42
▶ Annual Financial Summary Report .....	43





## Checklist for Establishing a 4-H Group Bank Account

If a 4-H group is contemplating establishing a checking or savings account there are things that should be considered before choosing a financial institution. Use this checklist as a guide.

- 1. Research local financial institutions to find one without fees (for more about this, see page 5 of this publication) or one that may be willing to waive them for a 4-H group.
- 2. Inquire of the financial institution what documents you must take to open the account; the following list of items may be required to complete the process:
  - Group's Employer Identification Number (EIN)
  - Letter from the Internal Revenue Service assigning the EIN to the group
  - MSU Extension office address
  - A copy of the group's minutes that includes the motion that authorizes opening an account and a record of a vote on the motion.
  - A copy of the group's charter
  - Sufficient funds with which to open the account
- 3. **Current Michigan State University policy does not allow 4-H clubs, councils, boards and committees to use ATM or debit cards because access to the funds is immediate and, in the event of theft, it is extremely difficult to recoup. According to current MSU policy, credit cards in the group's name are not allowed due to issues with fiscal control and occurrences of theft.**
- 4. Complete the proper paperwork for either a checking or a savings account. Keep the following in mind when doing group paperwork for the account:
  - The name on the account must be the name of the 4-H group, not of an individual
  - The name used on the account must match the group name on its charter.
  - Use the group's EIN and **not** an individual's social security number when establishing the account.
  - Dual signatures are strongly recommended on all group accounts. All signers must be current, registered 4-H volunteers.
  - Signers should not be related to one another.
  - The account address must be that of the MSU Extension office so account statements are mailed there. E-statements are strongly encouraged. (For more details about this, see page 6 of this publication.)
  - The use of carbon checks is recommended so a copy remains available for the group records.
  - Review the signatures on account cards annually, update them as needed and promptly notify the MSU Extension office of any changes.
- 5. Once the group identifies who the account signers will be, provide the names of these individuals to the MSU Extension office.
- 6. The administrative leader or treasurer will notify the county Extension office of all future changes in account signatories.
- 7. Leaders and group members or officers are responsible for completing the Annual Financial Summary Report each fall when directed to do so by the 4-H program coordinator.



# County 4-H Fund-Raiser Application

The group treasurer or 4-H leader must **complete and return this form to the 4-H staff** in the county Extension office for approval **at least 10 business days before any fund-raising activities can be held.**

4-H Group name \_\_\_\_\_

**If the group is contemplating holding a fund-raiser, we strongly encourage the group to discuss the following items before completing the application below:**

- What, specifically, are the funds being raised for?
- Put in writing how and when a member will qualify to benefit from the funds.
- How much money is needed?
- How will the group keep track of funds raised? Identify the member(s) who will manage this task.
- What will the group do if enough funds are not raised to meet the group's goal? What if the group raises more funds than are needed?
- Understanding that funds raised are for the total group (not for individuals based on their level of participation in the fund-raiser), be sure to discuss how the group will handle it if some members raise fewer funds or are less active in the fund-raising activity than others.

Addressing these things ahead of fund-raising will ensure all participants agree with the fund-raising goals and reduce the probability of disagreements later.

Group's address \_\_\_\_\_ Phone \_\_\_\_\_

Person making request: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Educational program funds will be used for \_\_\_\_\_

What is the proposed fund-raising activity? \_\_\_\_\_

Will the group be selling tangible, personal property (for example, craft items, tack, cookbooks, calendars, plat books, bulletins and food that will be consumed immediately such as concession stand sales)?

\_\_\_\_\_ Yes \_\_\_\_\_ No **If yes, the group must collect sales tax. For further information about collecting and remitting Michigan sales tax, refer to pages 22 to 23.**

What is the fund-raiser's educational value to the members? \_\_\_\_\_

Where is the proposed fund-raising activity to be held? \_\_\_\_\_

Proposed starting date of the activity: \_\_\_\_\_ Time: \_\_\_\_\_

Expected ending date of the activity: \_\_\_\_\_ Time: \_\_\_\_\_

(If it is an ongoing activity, the end date must be on or before August 31 of the current year.)

**For Office Use Only:**

Approved \_\_\_\_\_ Date Notified \_\_\_\_\_

# County 4-H Fund-Raising Report Form

**Complete and return this form** to the \_\_\_\_\_ County 4-H staff **within 10 business days after the approved fund-raising activity.**

**4-H Group name** \_\_\_\_\_

Group address \_\_\_\_\_ Phone \_\_\_\_\_

Person making report: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

What was the approved fund-raising activity? \_\_\_\_\_

Where and when did the approved fund-raising activity take place? \_\_\_\_\_

What knowledge did the group gain through this activity? \_\_\_\_\_

What skills did the group develop from participation in the fund-raising activity? \_\_\_\_\_

**Income** from approved fund-raising activity \$ \_\_\_\_\_

**Expenses** from approved fund-raising activity **minus** \$ \_\_\_\_\_

(List general expenses below)

\_\_\_\_\_  
\_\_\_\_\_

**Sales tax** collected on tangible, personal property\* **minus** \$ \_\_\_\_\_

\*For example, craft items, tack, cookbooks, calendars, plat books, bulletins and food that will be consumed immediately such as concession stand sales.

**Calculate the amount of tax due as follows:** Divide the income by 17.67 (Income: \_\_\_\_\_ ÷ 17.67 = \_\_\_\_\_ ).

It is wise to hold these funds aside in the group's treasury so they are available when the payment is submitted in the fall. **Be sure to include the income and expenses in the group's Annual Financial Summary Report (AFSR). The amount of the check will be reflected in next year's AFSR. If the group remits the tax with a check, make it payable to "Michigan State University."**

**Profits** from approved fund-raising activity **equals** \$ \_\_\_\_\_

**Prize Winners**

**If prizes were awarded, complete the information below.** Attach a separate sheet, if needed. **Note:** Prizes valued at \$600 or more require the recipient complete IRS Form W-9 for calendar-year tax reporting. Attach the W-9 to this report. MSU will issue an IRS Form 1099-MISC in January.

Name	Prize	Prize Value (Actual or Fair Market Value)

**Return to:**

Staff Name \_\_\_\_\_ Address \_\_\_\_\_





---

**Price includes  
Michigan  
sales tax**

Group Name: \_\_\_\_\_

## Treasurer's Report

**1. Beginning Balance**

Date \_\_\_\_\_ Balance \$ \_\_\_\_\_

**2. Money Received** *(Attach additional page, if necessary.)*

Amount \$ \_\_\_\_\_ purpose \_\_\_\_\_

Amount \$ \_\_\_\_\_ purpose \_\_\_\_\_

Amount \$ \_\_\_\_\_ purpose \_\_\_\_\_

**Total Received \$** \_\_\_\_\_

**3. Expenses** *(Attach additional page, if necessary.)*

\$ \_\_\_\_\_ to whom \_\_\_\_\_ purpose \_\_\_\_\_

\$ \_\_\_\_\_ to whom \_\_\_\_\_ purpose \_\_\_\_\_

\$ \_\_\_\_\_ to whom \_\_\_\_\_ purpose \_\_\_\_\_

**Total Expenses \$** \_\_\_\_\_

**4. Closing Balance**

Date \_\_\_\_\_ Closing Balance \$ \_\_\_\_\_

**5. If the group has a checking or savings account:**

a. Add back checks that have not shown up on the account statement (+) \_\_\_\_\_

b. Subtract deposits not showing up on account statement (-) \_\_\_\_\_

c. **Adjusted balance** should agree with account statement (=) \_\_\_\_\_

**6.** Amount of restricted funds, if any, included in either closing or adjusted balances above \_\_\_\_\_

Include clear copy of account statement that agrees with the total closing or adjusted balance above.

Prepared by (Treasurer's Signature) \_\_\_\_\_ Date \_\_\_\_\_

Accepted by (President's Signature) \_\_\_\_\_ Date \_\_\_\_\_

# Annual Financial Summary Report

**Directions: Complete each section of this report** whether or not the group had a treasury, collected or spent funds, accepted donations or had property within the report period. **Groups without a treasury, and whose participation fees did not pass through the group,** must still complete the form (with zero [0] balances) and submit it by the county's designated deadline.

## Part 1. Group Information

**For the period** September 1, 20 \_\_\_\_\_ to August 31, 20 \_\_\_\_\_      **County** \_\_\_\_\_

**Group name** \_\_\_\_\_      **EIN** \_\_\_\_\_

**Financial account** No \_\_\_\_\_ Yes \_\_\_\_\_      **Type** Checking \_\_\_\_\_ Savings \_\_\_\_\_ CD/Money Market \_\_\_\_\_ Other \_\_\_\_\_

**Financial Institution Name** \_\_\_\_\_      **Account #** \_\_\_\_\_

**Signatories** \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

## Part 2. Group Income and Expenses

<b>Adjusted treasury balance as of September 1 of last year</b>		A		\$
<b>Taxable sales income</b> (list each separately; attach additional sheet if necessary)				
1.				
2.				
3. Total from additional sheet				
<b>Taxable sales subtotal</b> (add items 1-3 above)		B		\$
<b>Nontaxable income</b> (list each separately; attach additional sheet if necessary)				
1. 4-H participation fees collected				
2. Total monetary donations received				
3.				
4.				
5. Total from additional sheet				
<b>Nontaxable income subtotal</b> (add items 1-5 above)		C		\$
<b>Total income for the period</b> (add B and C)		D	plus	\$
<b>Expenses</b> (list each separately; attach additional sheet if necessary)				
1. 4-H participation fees paid to the MSU Extension office				
2.				
3.				
4.				
5.				
6. Total from additional sheet				
<b>Total expenses for the period</b> (add lines 1-6 above)		E	minus	\$
<b>Account balance at end of the period</b> (add A and D; then subtract E)		F	equals	\$
Add checks that have not shown up on statement		G	plus	
Subtract deposits that have not shown on statement		H	minus	
<b>Adjusted balance</b> (should agree with account statement)		I	equals	\$

**Please respond** to the following:

1. The account statement was reconciled each month.      Yes \_\_\_\_\_ No \_\_\_\_\_
2. There is written documentation that all expenses were approved through an approved budget or by a vote of the full membership.      Yes \_\_\_\_\_ No \_\_\_\_\_
3. What was the group's total account balance as of June 30 of this period? \$ \_\_\_\_\_

**Annual Financial Summary Report, continued.**

**Part 3. State Sales Tax**

Complete this section if the group has taxable sales (Part 2, line B).

Total taxable sales (Part 2, line B): \$\_\_\_\_\_

Divide the amount by 17.67 = \$\_\_\_\_\_ **This is the amount of sales tax the 4-H group owes.**

Make check or money order payable to "Michigan State University" and **submit the check with this Annual Financial Summary Report** to the MSU Extension office **by the county's deadline.**

**Part 4. Verification of No Account at a Financial Institution**

A signature in this box verifies that this 4-H group did **not have an account at a financial institution during this report period.** It further verifies that the group had less than \$100 (not including 4-H participation fees) in its treasury for more than 30 days.

If the 4-H group opens an account at a financial institution in the future, the group must notify the county MSU Extension 4-H staff within 10 business days.

**Part 5. Inventory of 4-H Group Property**

"4-H group property" is defined as all items purchased with 4-H group funds as well as all items donated to the 4-H group.

If the 4-H group has no property, verify by signing here: \_\_\_\_\_

If the 4-H group has property, list below and on additional sheets if necessary, all existing group property. List consumable items (such as food, tape or paper plates) only if the amount is so significant that the items will last more than a year.

If the group disbands, all nonconsumable (not eaten or worn) property must be returned to the MSU Extension office within 10 business days of the group's final date of operation.

Year Purchased or Received	Quantity	Item Description	Value When New	Storage Location	If Discarded Last Year, Explain Why

**Part 6. Signatures, Review and Approval**

\_\_\_\_\_  
Signature of person who prepared this report      Phone \_\_\_\_\_      Date \_\_\_\_\_

\_\_\_\_\_  
Signature of person who reviewed and approved this report      Phone \_\_\_\_\_      Date \_\_\_\_\_

\_\_\_\_\_  
Signature of 4-H staff who approved this report      Date \_\_\_\_\_

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