



An Introduction to 4-H Club Finances

Budgets ~ Club Treasury ~ Fundraising

What is a budget?

A budget is an important first step that should take place at the beginning of each new 4-H program year. It is an itemized listing of the expected income and expenses that the 4-H club will have during the next year. The annual budget is developed and voted on by the club members at the beginning of the new club year. It is only an estimate but should reflect a reasonable projection of the 4-H club's financial activity. The line items of the budget should support the main goals the 4-H club membership want to accomplish during the year. You can use last year's **4-H Club Treasurer's Record Book** income and expenses to help you decide how much you might need for each category in the new club year.

Why does our 4-H club need a budget?

We use a recipe to bake a cake, an instruction book to assemble a new item, and our GPS to decide our travel route. Similarly, a budget helps your 4-H club plan where you will go, what you will do, and how it will be done. It is used by 4-H members, the treasurer and other club officers, along with volunteer leaders for planning expenses and approving bills throughout the club year. Monthly treasurer reports help monitor how closely the 4-H club's activities and spending are following the budget. There may be some unexpected expenses during the year, so it is a good idea to include some "rainy day" or emergency funds in the annual budget. If the club has a large inventory or expensive equipment, the membership may decide to purchase a club insurance policy to cover replacement costs due to damage, theft, etc. Contact the Extension office for further information.

How do we manage our 4-H Club treasury?

A 4-H club with more than \$20 in their club treasury must open a checking or savings account, but are not allowed to have an ATM, credit or debit card at a local financial institution. In order to do so, the bank will require an Employer Identification Number (EIN). Please send all club EIN requests to Sheila Powers (spow@illinois.edu) in the State 4-H Office. Once bills are approved, all club checks must be issued with two signatures, preferably the club treasurer and an adult leader. The club treasurer should prepare monthly and annual financial statements listing the income and expenses along with the ending balance for the time period. A fiscal review is completed by three people who do not have signatory rights and are not related to the treasurer and adult leader. This is a required step at the end of each 4-H year in order for the club to re-enroll for the following year.

How much money are we allowed to have in our 4-H Club treasury?

A 4-H club is required to manage their treasury responsibly. All 4-H club funds must be used to support the 4-H program and educational activities of its members. The 4-H club is not allowed to accumulate excessively large fund balances unless there is a specific project and activity that has been identified by the 4-H club.

Formula for Maximum 4-H Club Treasury Balance

4-H Club treasury balance = Current year of club expenses + one additional year of same expense dollars

If your 4-H club has more than the maximum allowable balance, you must submit a **Long Term Spending Plan** form to the Extension Office along with the 4-H Club Treasurer's Book. This form will describe your specific goals or purposes (special project, activity, or event) that require the growth of the 4-H club treasury to such a large balance. You will also be asked to provide an estimated timeline to complete the project. Your spending plan must be approved by your County Director.



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Fundraising guidelines

4-H Clubs should only plan fundraisers when additional funds are needed to meet the needs of your budget and goals for the coming year. Don't conduct fundraisers just because your 4-H club has always had them every year. 4-H is an educational organization and shouldn't be known for their fundraising efforts. Illinois Department of Revenue allows 4-H clubs and other non-profit organizations to conduct up to two fundraising events each calendar year without being responsible for collecting sales tax as a retailer.

4-H clubs should receive prior approval from Extension staff when planning or conducting a fundraiser. A **4-H Fundraising Approval Form** must be submitted for approval and placed on file at least two weeks before your club begins advertising for the 4-H fundraising activity. This will make sure that the club's activity is within the policies and guidelines relating to the use of the 4-H name and emblem and fiscal policies.

All money raised using the 4-H name and emblem must be used for 4-H educational programs and activities. If the money is being raised for an outside organization/agency (such as the humane society, a food pantry, Red Cross, or a town's beautification project), that must be indicated on the **4-H Fundraising Approval Form** and all promotional materials, such as newspaper articles and posters, the club sends out about the event.

4-H clubs may approve a donation to another organization from club funds. However, if the donation is \$100 or more, they must obtain approval from the County Director or their designee before sending the contribution.

University of Illinois Extension Raffles Policy

4-H clubs cannot conduct raffles. Illinois state statutes do not allow a person less than 18 years old to participate in raffles without permission of a parent or guardian. To protect our youth and ensure compliance of this statute, 4-H members are not allowed to purchase or sell raffle tickets for any organization sponsoring a raffle. Silent auctions are still permissible as a fundraiser because it is not an opportunity of chance. In silent auctions, the individual receives a product and the value of the product was determined by the amount that the buyer agrees to pay.

What happens if our 4-H club disbands?

Occasionally, a 4-H club votes to disband due to dwindling membership, no adult leader, or other reasons. As a result, the club needs to decide what to do with their group treasury and inventory. A sample dissolution statement can be found in the club's Constitution and Bylaws in the 4-H Club Secretary's Book as well as the "Helpful Hints" fact sheet for the **4-H Club Treasurer's Record Book**. A copy of the club's dissolution statement should be completed and submitted to the county Extension Office for future reference.

It is important to realize that funds raised under the 4-H name and emblem belong to 4-H. Upon dissolution of the 4-H Club, any assets must be permanently distributed to one of the following: the local Extension Unit, the County Extension Office, the County 4-H/Extension Foundation (if applicable), or another recognized 4-H Club with the approval of the County Extension Director. Funds will be used for other 4-H or youth development purposes at the recommendation of the local Extension staff. The club leader should close out the bank account and return all financial documents to the local extension office.



4-H Club Annual Budget Worksheet

Our 4-H Club Fiscal Overview:

4-H Club Employer Identification Number (EIN) 11-1111111

YES NO Our 4-H Club has a checking account at First National Bank

Minimum checking account balance required to avoid monthly bank fees: \$100.00

YES NO Our 4-H Club has a savings account at First National Bank

Minimum savings account balance required to avoid monthly bank fees: \$100.00

Total 4-H Club Assets:

A. Checking account balance as of 9/1/22 (Date) \$333.76

B. Savings account balance as of 9/1/22 (Date) \$600.00

C. Other source of funds as of n/a (Date) \$0

D. Total 4-H Club assets (add lines A + B + C) \$933.76

How Large Can Our 4-H Club Treasury Balance Be?

Formula for Maximum 4-H Club Treasury Balance

Current year of club expenses (from 4-H Club Annual Financial Statement)

+ One additional year of same expense dollars

Maximum allowable 4-H Club treasury balance

A 4-H club is required to manage their treasury responsibly. All 4-H club funds must be used to support the 4-H program and educational activities of its members. Refer to ***An Introduction to 4-H Club Finances*** fact sheet for additional fundraising guidelines, including community service projects conducted by the club to benefit outside organizations.

4-H Clubs should only plan fundraisers when additional funds are needed to meet the needs of their budget and goals for the coming year. Don't conduct fundraisers just because your 4-H club has always had one every year.

The 4-H club is not allowed to accumulate excessively large fund balances as defined in the formula above.

☐ YES NO Does our 4-H club treasury exceed the maximum allowable balance?

If you answered "yes" to this question, your 4-H club must submit a ***4-H Club Long Term Spending Plan*** form to their County Extension Director along with the fiscal review and *Illinois 4-H Club Treasurer's Book* describing their specific goals or purposes that require the growth of their treasury to such large balances along with a timeline to complete the project.



4-H Club Annual Budget Worksheet

4-H Club Program Year: September 1, 2022 through August 31, 2023

1. **Beginning Checking Account Balance (from 4-H Club Annual Financial Statement) \$333.76**

2. **Estimated 4-H Club Income:**

Income:

A. Donations \$250.00

B. Fundraisers \$500.00

C. Other: _____ \$ _____

D. Other: _____ \$ _____

E. Transfer from savings account \$750.00

F. Total Estimated Income (add line A - E) \$1,083.76

3. **Estimated 4-H Club Expenses:**

Expenses:

A. Meeting expenses / speaker fees \$100.00

B. Food / refreshments \$100.00

C. Project manuals / workshops \$0

D. 4-H Program fees \$200.00

E. 4-H Club trips \$100.00

F. Awards / scholarships \$0

G. Community service activities \$300.00

H. Rental fees \$0

I. "Rainy day" funds for repairs / replacement \$0

J. Club insurance (optional) \$50

K. Other: _____ \$ _____

L. Other: _____ \$ _____

M. Total Expenses (add lines A - L) \$850.00

4. **Estimated Ending Balance (Line 1 plus Line 2F minus Line 3M) \$233.76**

Our 4-H Club annual budget was prepared by the following 4-H club officers and adult club leader(s):

(Club officer)

(Club officer)

(Club officer)

(Club officer)

(Adult leader)

(Adult leader)

This budget was presented and approved by the 4-H Club on _____. (Meeting date)

8/2022



Illinois 4-H Club Annual Financial Statement

In order to re-enroll, a completed financial statement and fiscal review must be submitted to the county Extension Office and approved by the County Extension Director.

****PLEASE COMPLETE ALL SECTIONS****

This financial statement is for the period September 1, _____ through August 31, _____
4-H Club Name _____

County _____ Employer Identification Number (EIN) _____

Checking account balance at _____
(Name and Location of Financial Institution)

Checking account number _____

1. Beginning Account Balance as of September 1, _____ \$ _____

2. Income Source:	Income:	*Itemization of Miscellaneous Income
A. Donations	\$ _____	
B. Fundraisers	\$ _____	
C. Other / miscellaneous - itemize*	\$ _____	
D. Total Income (add line A + B + C)	\$ _____	Required if Income listed in Other

3. Beginning Account Balance plus Total Income (add line 1 + 2D) \$ _____

4. Expense Categories:	Expenses:
A. Meeting expenses / speaker fees	\$ _____
B. Food / refreshments	\$ _____
C. Project manuals / workshop	\$ _____
D. 4-H Program fees	\$ _____
E. Trips	\$ _____
F. Awards / scholarships	\$ _____
G. Community service activities	\$ _____
H. Rental fees**	\$ _____
I. Other / miscellaneous*	\$ _____
J. Total Expenses (add lines A-I)	\$ _____

Itemization of Miscellaneous expenses (Required):

5. Balance as of August 31, _____ (subtract Total Expenses line 4(J) from line 3) \$ _____

6. Outstanding deposits
(Subtract total of deposit amounts that have not appeared on bank statements) \$ _____

7. Outstanding checks
(Add total of check amounts that have not appeared on bank statements) \$ _____

8. Adjusted Balance (should agree with end of year bank statement) \$ _____

**If a contract or agreement is required, the Extension Business Office will obtain the signature for the document on behalf of the 4-H club.



Illinois 4-H Club Annual Financial Statement

In order to re-enroll, a completed financial statement and fiscal review must be submitted to the county Extension Office and approved by the County Extension Director.

Savings account balance at _____
(Name of Financial Institution)

Savings account number _____

1. Beginning Account Balance as of **September 1** _____ \$ _____
2. Income Source:

	Income:
A. Donations	\$ _____
B. Fundraisers	\$ _____
C. Other / miscellaneous - itemize*	\$ _____
D. Total Income (add line A + B + C)	\$ _____
3. Beginning Account Balance plus Total Income (add line 1 + 2D) \$ _____
4. Expense Categories:

	Expenses:
A. Transfer to checking account	\$ _____
B. Other: _____	\$ _____
C. Other: _____	\$ _____
D. Other: _____	\$ _____
E. Total Expenses (add lines A + B + C + D)	\$ _____
5. Balance as of **August 31**, _____ (subtract Total Expenses line 4E from line 3) \$ _____

This certifies the above information is a correct statement of financial activity for this 4-H Club.

<i>Susie Smith</i>	9/1/2022
(4-H Club Treasurer's signature)	(Date)
<i>Patti Leaflet</i>	9/2/2022
(4-H Club Leader's signature)	(Date)

Fiscal Review: (**REQUIRED:** Fiscal Review Committee should include a combination of youth and adults without signatory rights on the account.)

We have examined the financial records including bank statements, checks written, copies of bills paid, itemized deposit slips, and receipts of this 4-H Club and find them in good order.

<i>Bob Jones</i>	9/15/2022
(Fiscal Review Committee signature)	(Date)
<i>John Johnson</i>	9/15/2022
(Fiscal Review Committee signature)	(Date)
<i>June Miller</i>	9/15/2022
(Fiscal Review Committee signature)	(Date)



Illinois Extension
UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN

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8/2022