



UConn 4-H Fact Sheet



UConn | EXTENSION

Procedures for Handling 4-H Funds

4-H volunteers and leaders must abide by the UConn Extension guidelines for handling funds in the name of 4-H. The following information highlights requirements and best practices relating to the handling of funds in the UConn 4-H program.

- Accepting donations and handling funds such as dues within the 4-H program implies a willingness to accept responsibility for handling funds accountably. Each 4-H unit/club handling funds received under the 4-H name and emblem must maintain a system for receiving, disbursing and auditing funds within a related 4-H program. Each individual 4-H unit/club must hold funds in a separate bank account in the club/unit's name and not in a volunteer or parent's personal checking account. **Funds collected for 4-H cannot be donated to any other cause.**
- In order to take advantage of the CT 4-H tax-exempt status, each 4H club should establish a bank account using the CT 4-H Foundation employer identification number (EIN). The account can be named "(your club name) 4-H Club/CT 4-H Foundation", and can be opened at any bank. As part of this process each club must submit annually a financial summary to their county 4-H office by October 15th. The summary must include a list of any donors contributing \$5,000 or more to the club along with any grants applied for and received. If a group chooses not to affiliate under the CT 4-H Foundation, the club volunteers are responsible for adhering to federal tax reporting requirements annually and providing a copy to the 4-H office of any filings. Clubs not affiliated with the CT 4-H Foundation must also submit an annual financial summary to their county 4-H office which includes a list of any donors contributing \$5,000 or more to the club along with any grants applied for and received. For more information regarding club bank accounts and tax exemption status, please see "4-H Tax Exemption and the Connecticut 4-H Foundation, Inc.

- Under no circumstances may an individual hold funds raised in the name of 4-H. All checks must be payable to an official 4-H organization, unit, or club and directly deposited into the appropriate account. Only registered 4-H volunteers may be listed on a 4-H club bank account and authorized to transact on behalf of the 4-H club. Clubs should establish a system of accounting and procedures for handling group funds, which is supervised by a minimum of two registered 4-H volunteers. Annual audits of funds should be conducted, this may be a desk audit performed by at least two additional adults unrelated to the primary account holders. Do not use petty cash or shoebox operations. 4-H club leaders authorized to transact on behalf of the club should only sign checks when approved and documented within club minutes or annual budget. An annual budget should be developed for the club as part of sound financial practices.
- Debit cards tied to the 4-H account may be used, provided a minimum of two registered 4-H volunteers have access to the pin and the card is only used for purchased items by the club.
- Accountability should be maintained through a monthly bank statement by a minimum of two registered 4-H volunteers on the account. The local Extension 4-H staff member should receive the following information: name of the bank in which the account is held, bank account number and copies of bank statements as requested. Financials should always be reviewed by youth members to encourage financial literacy.
- Special accounts such as PayPal, Venmo or Square must be in the name of the 4-H club or organization and managed by a minimum of two registered 4-H volunteers. Each club/4-H organization is responsible for adhering to the policies for use of each platform including proper account set up. Funds may not be collected via an individual person's account. A business account must be set up when using Venmo. Fund balances in these special accounts must be reported on the annual club financial summary. The CT 4-H Foundation does not complete the set up of these accounts on behalf of 4-H clubs.
- In accordance with best practices governing nonprofit organizations, if a 4-H group disbands, all money in the group treasury and any other group property shall only be given to another 4-H entity. This is to demonstrate since 4-H group funds were attained in the name of 4-H, they will be retained within the 4-H structure (such as 4-H advisory councils, 4-H foundations or 4-H fair associations, etc). For more information on other 4-H units which can received funds/property contact the County 4-H staff member.
- All fundraising programs must use the 4-H name and emblem and must have the approval of the county UConn Extension office. GoFundMe campaigns may be used for 4-H club/county projects provided they are set up in the name of the 4-H club/organization. Individual members may not set up campaigns for their 4-H club projects.
- There must be a definite plan for use and accounting of funds raised prior to authorization.
- All monies received from 4-H fundraising can only be expended to benefit 4-H educational programs and not donated to support other non-profit programs. If in doubt, contact the county 4-H staff for clarification.