1. **Does every blank have to be completed on the two-page Annual Financial Report?**

   Yes, every blank must be completed to be accepted. This information provides evidence of accountability for 4-H funds.

2. **Does the 4-H club or committee have to use the Annual Accounting Report in the 4-H Charter Renewal Packet or can they create their own format for financial reports?**

   All 4-H clubs and committees must use the Annual Accounting Report format for financial reports. Additional categories/lines can be added to either column. Additional information can be attached to the Annual Financial Report.

3. **What is the Annual Financial Report used for and who will be reviewing it?**

   The Annual Financial Report will be reviewed by 4-H Youth Development Educator. They must insure that all 4-H funds have been accounted for and handled appropriately, including completion of the annual audit. 4-H Youth Development Educators will use the information to determine and report the non-foundation category for each 4-H clubs and group/committee in the county. This information is required by UW-Extension and the IRS. Lastly, the information may be reviewed by UW-Extension and the IRS.

4. **What additional categories are recommended for the Funds Received side of the Annual Accounting Form?**

   It is recommended that for Funds Received, the remaining open space be labeled Other Income or Miscellaneous. Accounting for income or funds received from a member or family that is their portion of a fee that will be combined with other sources so one check can be made out to an organization would be listed here. An example could be with camps or leadership experiences such as 4-H & Youth Conference. There should be detail available for all monies documented in the Other Income category to make sure that it is reported in the correct area. This can be attached to the 4-H Charter Renewal Packet Annual Finance Report.

   The space should not be used to lump all funds received that the volunteer does not know where it goes. It is critical that funds received fall within one of the six categories.

5. **What additional categories are recommended for the Funds Disbursed side of the Annual Accounting Form?**

   General expense categories might include Fund Raising Expenses, Educational Supplies, Dues paid to the County Leaders Organization, Community Service Expenses, Recreation, etc. More specific categories from a budget might be: Volunteer Recognition; Day Camp; Cloverbud Camp; Summer Camp; Leadership Events and Trips; Achievement Night; Specific Fund Raiser Expenses (such as candy sales, food stand, etc.) etc. It is important to provide enough information that those reviewing the Annual Accounting Form can determine that 4-H funds were used appropriately.

   If needed for documentation of funds disbursed, an additional page can be attached to the Annual Financial Report.
6. **What types of activities should be categorized as Fund Raising?**

By definition, a fund raiser is for raising money for an intended purpose. Some common examples of fundraising are: Pizza sales, frozen food sales, wreath sales, candy bar sales, food stands, silent auctions, etc. See the [4-H Fundraising Guidelines](#) and the [4-H National Headquarters guide to Fundraising for Private Support for 4-H](#) and additional documents on the Financial Management Website to assist local 4-H clubs and groups in fundraising for 4-H.

7. **Do I report income and expenses for fund raising in the fiscal year of the fund raising project or when the income is received and the expenses are paid?** This could be in two different fiscal years and might look like the fundraising project was unsuccessful.

Income from a fund raiser is reported in the year it is received. An expense for the fund raiser is reported in the year they are paid. It is advised that Fundraising Committees use a [4-H Club or Committee Activity Planning Sheet](#) and the [4-H Club or Committee Activity Report Sheet](#) to plan and report a fundraising activity and to determine success.

8. **What needs to be reported in the Member Dues line of the Annual Accounting Form?**

Dues are the moneys received from each member. Dues give the member the right to vote. This is a demonstration of citizenship in action. The income can be used for member participation in educational and recreational programs as well as covering any assessments for literature/project materials, accident insurance for members, the Wisconsin 4-H Foundation assessment, etc. Members vote on the amount of dues and how all 4-H club or group funds are used.

9. **What needs to be reported in the Donations line of the Annual Accounting Form?**

This would include grants and donations from any source. An accounting of all money reported here should be included with the Annual Accounting Report.

10. **What should be reported in the Investment Income line of the Annual Accounting Form?**

Income investment includes any interest earned from a bank account, endowment fund, trust fund or any other investment. Interest earned that is allowed to roll over into the principle on an investment must be reported in the Interest Income Line. It is recorded in the year it is earned. If income from investments is not paid out in the fiscal year in which it is earned, it should be included in the year-end balance of either the savings account or checking account. The current value of all investments accounts needed to be recorded as part of the beginning and ending balances of the Savings Account Line. A detailed listing of all investment accounts and their balance should be attached to the Annual Financial Report.

11. **What should be reported in the Income from Youth Services line of the Annual Accounting Form?**

The Income from Youth Services space is where fees collected from non-members to participate in a youth development program, activity or event conducted by the 4-H club or group is recorded. For example, if the Leaders Organization has a Day Camp program where the public is invited, any fee charged to non-4-H members would be accounted for in this space.
12. Where do we put money coming in from a 4-H family to pay for a program fee where that fee is then paid out by the local Leaders Organization? In essence, the money is just passing through. Examples would be Citizenship Washington Focus, Camp programs, Space Camp, etc.

This money coming in can be reported in a line called Other Income. On the Annual Accounting Form, there is a blank space that can be used for this money coming into an organization.

13. Where is income recorded if a 4-H club or group collects additional income/fees from members to participate in a special event or field trip?

This income would be recorded in the Other Income column as it would be used to pay for the expenses of the special event or field trip.

14. Our club orders club t-shirts for members, leaders, and parents. The club writes one check to pay for the shirts and everyone pays the club. Is this a fundraiser or another type of category?

If no profits are tacked on to the total cost of the t-shirts, this would be an example of in-and-out money and would be accounted for in the Other Income column on the Annual Accounting Form.

15. Some years our 4-H club does not have any deposits or income other than interest earned. Is this a problem?

4-H Clubs and Groups are able to raise funds to conduct educational programs for youth. To avoid being identified or have the appearance of being a foundation, 4-H clubs and groups need some income activity other than interest on accounts. This might be as simple as charging a $1 due per member or hold a fundraiser or receive a donation or any combination of these at least twice within a 5 year period. 4-H Clubs and Groups are reminded that they should be spending the money raised on educational programs for youth.

16. If a 4-H club does not raise or spend any money, why must they have an EIN number and file an IRS form 990 annually?

In Wisconsin, all 4-H clubs must be chartered. Charters must be renewed annually. Chartering provides the 4-H club to use the 4-H Name and Emblem and have all of the rights and responsibilities as a 4-H club. This includes programmatic and financial accountability. Each chartered 4-H club must have an EIN number and file an IRS form 990 annually as part of the financial accountability required for Federal tax exempt status. 4-H Groups or Committees must be chartered if they handle finances and have a checkbook OR they must be formally recognized and accountable to the county 4-H Leaders Organization.

17. How much money can a 4-H club or group hold in a saving or investment account?

To be a 4-H chartered club or group and receive federal tax exempt status, 4-H clubs and groups must qualify as a non-foundation. Wisconsin 4-H organizations should hold no assets greater than one year’s projected expenditures in a bank account, unless it is being saved for a particular programmatic objective that was voted on and approved by the membership. If a 4-H organization does not regularly raise or spend money and holds a balance greater than its projected budget for the next year, it should find a way to spend the balance for 4-H educational programs and plan on raising money in the coming years.

Chartered 4-H clubs and groups that are saving for a specific capital investment (over $500) must have a separate line item for income and expenditures. If a capital investment is being considered, the Capital Equipment Decision Tree must be used.