

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

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

Of most importance are the following principles:

- Utilize the 4-H Club Treasurer Job Description in 4-H officer training.
- Each 4-H Club or other Extension affiliated group bank account **should have two signatures for expenditures** (checks and withdrawals).
- An annual financial report must be filed with the Extension Council/District Board. A suggested deadline is November 1st for 4-H Club accounts.
- All club/group accounts must have their own employer identification number (EIN) from the Internal Revenue Service. **The Extension Council or 4-H Council number is not to be used.** Personal social security numbers may not be used for these groups.

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

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

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

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

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

4-H Club/Extension Group Financial Review Checklist

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

- _____ 1. Financial Review Committee has set their meeting date well in advance of the November 1, 2011 due date to properly complete the Annual Financial Report.
- _____ 2. The Financial Review Committee membership consists of at least two adult leaders and two 4-H members who will meet to examine the financial reports of the treasurer. **Committee members should not be signatories on the group or clubs financial accounts OR have familial or financial relationships to the treasurer.** If you do not have enough members to make up a review committee or you are unable to do so because of familial or financial relationships to the treasurer, you could consider asking a neighboring club or non member individuals to help complete the review. This is a good practice to consider.
- _____ 3. The following Financial Review Information has been compiled for the review:
 - _____ Bank Account Number(s) for all financial accounts in the club or group's name and the name's of all persons on the account(s).
 - _____ Club or Group FEIN (Federal Employer Identification Number) from the IRS (your local Extension Office will have this information if you cannot find it).
 - _____ Club or Group Budget and any addendum showing anticipated income and expenses for the year being reviewed.
 - _____ Bills for all Expenses and Receipts for all Income
 - _____ All bank account statements and information beginning October 1, and ending September 30, showing all cancelled checks and deposits.
 - _____ Check register showing all checks issued indicating any voided checks.
 - _____ Completed Treasurer's Book (your local Extension Office has extra copies if you need one) provided from the Treasurer.
 - _____ Copies of meeting minutes showing treasurer's reports or other club financial report.
- _____ 4. When performing the Financial Review the committee should consider the following procedures:
 - _____ Check each month's reconciled bank statement and canceled checks. Make sure that the check register postings are current and complete.
 - _____ Examine all voided checks. If a voided check is not on file, verify that the check has not cleared the bank.
 - _____ Total all funds received. Verify the cash receipts were written and that funds received were listed on the check register or ledger report.
 - _____ Total all deposits made to the bank account(s). This total should equal the total of all funds received.
 - _____ Total all expenditures. Verify that a written bill(or store receipt) is on file for each expenditure. Verify that all expenditures were paid by check, not cash. Review all checks for at least two (2) signatures.

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

- _____ 5. The Extension District Extension Council/District Annual Financial Review Report form is completed and returned to your local Extension Office by **November 1**. Keep a copy of your completed Report with your club's financial records.

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

[Local Extension Office]

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

4-H CLUB/EXTENSION AFFILIATED GROUP ANNUAL FINANCIAL REPORT

to be completed by the Financial Review Committee

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

Financial Review Date _____

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

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

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

The bank records are in the possession of: _____

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

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

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

List any expenses or income that looks unusual:

1. _____
2. _____

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

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

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

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

(Please Complete Other Side)

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

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

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

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

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

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

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

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