



# Maricopa County 4-H Club Fundraising & Checking Account Guidelines



1. 4-H does have a \$10.00 dues fee as a condition of membership. It is recognized that a 4-H club will have expenses which should be borne by club members. When this is the case, the membership or the leaders can vote to assess themselves the amount necessary to cover these expenses. Expenses in this area would include insurance, paper and postage for a club newsletter, refreshments for an activity, etc. This type of assessment should be kept to the minimum necessary to meet the actual expenses and care should be taken by the leader to insure that no one is forced out of the group or placed in an embarrassing position as a result of a club assessment.
2. It is recognized that clubs will also desire to have activities which do cost money, such as club expenses noted in ITEM 1, or determine to raise scholarship money for members to participate in 4-H activities such as camp or state events. An effort such as this can be a great experience for the youth working together toward a common goal that is beneficial to all involved. Careful planning should take place to insure goals and methods are realistic and wholesome. Such efforts include:
  - a. Car washes
  - b. Clean-up efforts - aluminum salvage, paper salvage, etc.
  - c. Concession stands at activities
  - d. Providing labor for sale, such as delivering newspapers or tabloids
  - e. Sponsoring activities that have an entry fee, such as 4-H horse shows, dog shows, etc.
  - f. Any fund raising campaign must be within the law. This should be approached with extreme caution. Experience indicates that often items provided for sale by a fund raising company are of questionable quality and if they fail, 4-H and the people who sold the item (i.e., YOUR 4-H CLUB) are blamed for it.

Fund raising should be carried out in the area where the club actually functions to avoid duplication by other clubs whenever possible.

## MANAGING RAISED FUNDS

The management of funds is a critical consideration. Guidelines on money management are:

1. Have a purpose in mind before raising money. Set your goals and be sure the 4-Hers are involved in all decisions. Don't raise money for the sake of raising money alone. The need and purpose for raising funds should be understood and supported by the group. All club money (receipts and expenses) should go through the treasurer. The club should establish a budget each year. All fund raising should be for the 4-H year ahead, not for a longer period of time.
2. CLEAR YOUR FUND RAISING IDEA WITH THE 4-H OFFICE. Submit the attached form for approval before starting your campaign. Forms are available from the 4-H office or on our website.
3. Fund raising programs using the 4-H name and emblem or involving 4-H participants and leaders must be carried out for specific educational purposes. Clubs must have the following approval if products and services bear the 4-H name and/or emblem. Such fund raising programs must have the approval of the appropriate cooperative extension office as follows:
  - a. Approval of the county cooperative extension director or designee with the appropriate land-grant institution if the fund raising program is confined to a county.

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4. Carry out your fund raising effort and be sure all details are taken care of: bills paid promptly, prizes delivered promptly, etc.
5. If you haven't already done so, establish a bank account in the club's name with two signatures required, usually the leader and the club treasurer. (These two signatures should not be from the same family.) Most banks will provide a no-charge account for 4-H clubs. No account should be established under a member's or leader's name or social security number. Request an application for a 4-H employee i.d. number from the 4-H office. Family clubs cannot have a 4-H bank account. If family clubs find it necessary they must make arrangements with the cooperative extension agent or staff person to establish a fund through a county account or the Arizona 4-H Youth Foundation.
6. Permit the members to handle their money matters and let the treasurer function. This can be a great learning experience. They will need guidance from the leader but this can be given and still permit maximum member involvement.
7. A treasurer's report is part of the secretary's book which must be turned into the 4-H office at the end of each year. As stated earlier, long-range fund carryover is not desirable. It is permissible to carry enough funds to the next year if the group is planning to continue.
8. The reason long-range fund raising by clubs is discouraged is three-fold:
  - a. 4-H club membership is fluid. Each year you lose some members and gain some new ones. Therefore, those who raised the money should benefit from it.
  - b. Club leadership can also change and there have been instances where a sum of money was abandoned in bank accounts due to lack of continuity.
  - c. 4-H is considered a non-profit organization and therefore comes under IRS regulations which also discourage a carryover of funds.

## 4-H CLUBS ARE NOT TO OWN PROPERTY

4-H clubs cannot become involved in purchasing real property or in building club houses, etc. This does not include items such as meeting flags and routine consumable supplies essential for operating a club. Items used for instructional purposes such as a portable sewing machine, is also acceptable, however; careful thought as to management of the equipment should be considered prior to securing it.

## WHAT IF THE CLUB DISBANDS OR HAS EXCESS FUNDS?

When a 4-H club disbands, all debts legally owed should be paid in full and any excess must be immediately transferred to the designated cooperative extension agent or staff person who will facilitate the distribution to the appropriate 4-H groups or foundations. Under no circumstances should these funds go to the benefit of any individual. Any equipment secured by the disbanding club should also revert back to the designated cooperative extension agent or staff person who will assign it to clubs who can benefit from it.

Please contact the 4-H office if you have questions.

Check with either the IRS or your tax preparer regarding the deductibility of payments made to charities conducting fund raising events.

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