

## 4-H FUND RAISING GUIDELINES

1. In the course of a 4-H project year, it is recognized that a 4-H group or club will have expenses which should be borne by the members. When this is the case, the membership can vote to assess themselves the amount necessary to cover these expenses. Expenses in this area would include insurance, paper and postage for a newsletter, refreshments for an activities, etc. The main consideration is that these "assessments" not be handled as dues or as a condition of membership. 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 the assessment.
2. Fund-raising programs using the 4-H Club Name or Emblem or involving 4-H participants and leaders may be carried out for specific educational purposes. Such fund-raising programs must have the approval of the appropriate Cooperative Extension office as follows:
  - (1) Approval of the County Extension Office, or the appropriate land-grant institution, if the fund-raising program is confined to a county.
  - (2) Approval of the State Extension Office, or the appropriate land-grant institution, if the fund-raising program is multi-county or Statewide.
  - (3) Approval of the Administrator of the Extension Service or a designee if the fund-raising program is multi-state or Nationwide.

4-H fund-raising programs may be carried out so long as the products and services sold do not bear the 4-H Club Name or Emblem and are not themselves labeled as 4-H products or 4-H services.

3. It is recognized that 4-H groups or clubs will also desire to have activities which do cost money, such as expenses noted in Item 1, or determine to raise scholarship money for members to participate in 4-H activities such as Camp or Roundup, or JOLT, etc. 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, but are not limited to:
  - A. Bake Sales
  - B. Car Washes
  - C. Clean-up Efforts - Aluminum Salvage, Paper Salvage, etc.
  - D. Concession Stands at Activities
  - E. Providing Labor for Sale, such as delivering newspapers or tabloids.
  - 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 - YOUR 4-H members - are blamed for it. All lotteries or raffles must have approval of the **County Attorney's** office prior to the request being submitted to the 4-H office.

Fund raising should be carried out in the area where the 4-H group actually functions to avoid duplication by other 4-H groups or clubs.

## **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-H'ers are involved in all decisions. Don't raise money for the sake of raising money alone. All fund raising should be for the current 4-H year, 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.
3. Carry out your fund raising effort and be sure all details are taken care of: Bills paid promptly, prizes delivered promptly, etc.
4. 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 signatures should not be from the same family.) Most banks will provide a no-charge account for 4-H groups.

The law now mandates banks to obtain an Employee Identification Number (EIN) from all organizations that have accounts earning \$10 or more in annual interest. To obtain an EIN, the 4-H club or group sends an "Application for Employer Identification Number" (Form SS-4) to the IRS. Forms are available from IRS and Social Security offices. When completing the form, the answer to "Nature of Business" should be either "4-H Club" or "Affiliated 4-H Organization", whichever is more appropriate.

5. 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.
6. A Treasurer's Report is part of the Secretary's Book, which is to be turned in to the 4-H office at the end of each year. As stated earlier, long-range fund carry-over is not desirable.
7. 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 I.R.S. regulations, which also discourages a carry-over 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 flag sets 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. If items such as this are secured, all of the members should benefit from 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 should be immediately reverted to the County 4-H Leaders' Association, which is the parent organization in the county. (In Navajo County, it is the Navajo County 4-H Leadership Council). Under no circumstances should these funds go to the benefit of any individual. Any equipment secured by the disbanding club should also revert to the County 4-H Leadership Council, which will assign it to clubs who can benefit from it.

FUND RAISING APPROVAL FORMS ARE AVAILABLE FROM THE 4-H OFFICE AND SHOULD BE COMPLETED AND APPROVED PRIOR TO FUND RAISING EFFORT.

If you have any questions, call the 4-H Office (928) 524-6271.

**REQUEST FOR 4-H FUND RAISING PROGRAM APPROVAL**

Date \_\_\_\_\_ Club Name \_\_\_\_\_

Leader's Name \_\_\_\_\_

Address \_\_\_\_\_

City

Zip

Phone \_\_\_\_\_

What will the funds be used for? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Briefly describe Fund Raising Effort: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date Fund Raising Activity begins: \_\_\_\_\_

Date Fund Raising Activity ends: \_\_\_\_\_

Where will Fund Raising Activity take place? \_\_\_\_\_

\_\_\_\_\_

Amount of money to be raised: \$ \_\_\_\_\_

APPROVED: \_\_\_\_\_ NAVAJO \_\_\_\_\_ County 4-H Office

Address \_\_\_\_\_ 100 E, Carter Drive, P O Box 668, Holbrook AZ 86025

Phone \_\_\_\_\_ 928-524-6271 or 928-524-4023

SIGNED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

Approval by 4-H Office does not constitute any guarantee of products sold, or assumes any responsibility or liability for actions of those raising funds.

Revised 9/2005