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DATE: October 4, 2024

TO: 4-H Club Leaders

FROM: Post Rock District   
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SUBJECT: **4-H ANNUAL FINANCIAL REVIEW DUE NOVEMBER 1**

It is time to complete your 4-H Annual Financial Review. Completed reviews are due to your local Extension Office by November 1, 2024. Club Leaders will need to work with their 2023-2024 Treasurer and Secretary to prepare for the review. The club needs to appoint a Financial Review Committee to conduct the review.

This memo contains important tips to help you successfully meet the review needs of the Post Rock District. If you have any questions about the required review, please reach out to your 4-H Program Coordinator.

Acting as Post Rock District's Director and 4-H Youth Development Agent, I will complete a review of the club's financial report using the submitted materials. The committee, club leader, or officers may be consulted about the review and findings. Then, the Post Rock District Governing Board will review and approve the financial status of each club as an affiliated organization.

*Regardless of whether your club appoints your own Financial Review Committee or if you utilize the Post Rock District's committee, any clubs with an incomplete or concerning financial review will be asked to complete a second review through a Post Rock District-appointed committee before financial statuses are presented to the Governing Board.*

**Annual Financial Review Committee:**

- **Who is on the committee?** The 4-H club must appoint a financial review committee. The committee is to consist of at least three (3) adults OR two (2) adults and two (2) youth. Committee members may NOT be signatories on the financial account(s) or have immediate familial or financial relationships with the current treasurer.

Post Rock District will offer a financial review committee option to each club. Three trusted adults will complete the Annual Financial Report for your club. To utilize this option, the club must submit the treasurer and secretary's prepared materials as soon as possible.

- **What are the committee's responsibilities?** The committee cannot simply sign-off on paperwork filled out by the club leader or officers. Prior to the committee meeting, the leader, treasurer, and secretary need to prepare all items and have them available for the committee to view. All members of the committee will complete a thorough review of the 2023-2024 financials. The treasurer/secretary/club leader do not fill out any part of the annual report. The committee fills it out while looking through the materials provided.

If something is missing or done incorrectly, it needs to be noted on the report. The club will not get banned from 4-H for having an error. They will work on fixing it during the next program year. If they don't know what to work on improving, the errors will continue for multiple years, and that is when a club's status can become impacted. The committee is responsible for being honest and thorough during their review.

- **What is the committee looking for while completing the Annual Financial Report?**
  - ✓ **Checklist:** The committee should use the Review Checklist to thoroughly review the 2023-2024 financials. Some tips about what they are looking for are outlined below.
    - ✓ **Accounts:** The committee documents all accounts affiliated with the club. They document the starting balance as of October 1, 2023. They document the ending balance as of September 30, 2024. They confirm who has had the account records, receipts, checks, and other financial information on behalf of the club during the 2023-2024 program year.
    - ✓ **EIN/Tax Exemption Certificate:** The committee confirms that the 4-H group has proof of their EIN and tax exemption status. The treasurer's book should clearly document where these files are stored if a copy is not always in the treasurer's binder.
    - ✓ **Signatories:** The committee looks to make sure all checks were signed by two (2) signatories. Payments can only be made by check – no cash, credit card, or debit card transactions are allowed. The committee confirms who the signatories were for the club during 2023-2024 and that only those signatories were conducting financial business. No signatories can be immediate family members (adults and youth included). It is best practice for the club to have a motion at the start of each 4-H year confirming who the signatories are. Then, the committee can see the minutes provided and confirm that the signatories are accurate.
    - ✓ **Receipt all Financial Transactions:** The committee looks to make sure each deposit and expenditure has an itemized receipt. Voided checks should be kept as a receipt. Financial transactions should complement the club's annual budget. Secretary's minutes noting the details of the treasurer's reports during meetings and motions

made by the membership should correspond with the financial transactions. The checkbook register should have a running balance and be mathematically correct. The checkbook register should align with the bank statement reconciliations.

- ✓ **Recommendations:** Anything unusual is to be noted. If the committee finds that the club is not meeting all Kansas 4-H and K-State Research and Extension expectations for financial management, recommendations for improvement are listed.

- **Due to your local Extension Office by November 1:**

- Submit the Annual Financial Report as completed by the Financial Review Committee.
- Submit the entire October 2023 and September 2024 bank statements for every account (checking, savings, etc.).
- If the October 2023 and September 2024 bank statements do not have any transactions, submit an additional bank statement that shows at least one check transaction. An image of the signed check is to be included on the statement.
- Submit the Secretary's minutes that articulate the officer elections for the 2023-2024 year.
- Submit the Secretary's minutes that articulate who the membership approved as signatories on all accounts for the 2023-2024 year.
- Confirm a copy of the club's EIN number and current tax exemption form is on file at the local Extension Office. The tax exemption form is to be signed by a registered and approved 4-H Club Leader. If your tax exemption form is expired, Post Rock District staff will assist with renewal.

- **Why is the Annual Financial Review required?** Kansas Extension 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 Extension Board are accountable for funds raised and/or collected by such groups as 4-H Clubs, 4-H Councils, Master Gardeners, etc. In order for the local Extension unit to ensure compliance with financial requirements for 4-H and other Extension affiliated groups, a yearly financial review of those accounts are to be conducted by a Financial Review Committee of the club/group. Approval of the reports will then be documented by the local unit's Governing Board.