

WILLIAMSON COUNTY
4-H ADULT LEADERS ASSOCIATION
FINANCIAL MANAGEMENT GUIDELINES
Updated and Approve May 4, 2021

The purpose of the Finance Committee of the Williamson County 4-H Adult Leaders Association herein referred to as “board” or “ALA” is to develop the proposed annual 4-H budget and financial management guidelines to be effective in September of each year, for the benefit of all 4-H members in Williamson County. The committee will also consider any proposals requesting special funding not included in the annual budget, provided the proposal meets the established guidelines. Submission of a proposal does not guarantee the request will be granted, only that it will be considered. The annual budget and all requests for funding or reimbursement **are subject to available funds.**

SECTION 1: GENERAL RULES AND PROCEDURES FOR HANDLING 4-H FUNDS

- A. Williamson County Texas AgriLife Extension Office agents must authorize the use of the 4-H name and emblem.
- B. Individual 4-H organizations are to maintain a record of its activities, contributions received/expended/distributed, and to prepare and keep on file a record of financial transactions.
- C. Federal Law requires that funds raised or given in support of 4-H programs be handled in a manner consistent with the public trust.
- D. Those responsible for handling funds must do so in an open, responsible and trustworthy manner. ALA Officers must be able to carry out their responsibilities as defined in the ALA bylaws and financial management guidelines.
- E. There are to be ZERO PERSONAL TRANSACTIONS on a 4-H Organization Account

SECTION 2: MANAGEMENT OF 4-H CLUB/GROUP BANK ACCOUNTS & FINANCIAL REVIEW

- A. The bank account must not contain the name “Extension” or Texas A&M AgriLife Extension”, or the word “County” in the name of the 4-H account. The name on the bank account is 4-H Adult Leaders Association.
- B. The bank account must be associated with an Employer Identification Number (EIN). Social Security numbers SHOULD NEVER be used. The EIN associated with the 4-H Adult Leaders Association bank account is the EIN issued to the 4-H Adult Leaders Association.
- C. The 4-H Adult Leaders Association account requires two (2) signatures. The ALA Vice President and the Treasurer are designated as the signatories; provided these offices are not held by a married couple or two individuals in the same household.
- D. Two signatures are required on each check written on the account. 4-H Adult Leaders Association checks are to be signed by the ALA Treasurer and Vice President.
- E. Notify the bank immediately in writing of any changes in the check signers or persons authorized to withdraw funds from the account.
- F. Detailed records should be maintained on all monies collected including the date collected, by whom, amount collected, and purpose. The same detailed records should be maintained for all expenditures paid with funds from the 4-H Adult Leaders Association bank account.
- G. Record cash receipts immediately upon receipt and deposit in a timely manner.

- H. Prepare a list of remittances received and compare the list to subsequent bank deposits.
- I. The person who collects funds should not be the same person who signs checks.
- J. The 4-H Adult Leaders Association Check Request form should be used when requesting funds and kept with account records. Check requests will be numbered sequentially by 4-H year. All fields on the form are to be completed.
- K. All payments should be made by serially numbered checks.
- L. No checks should be made payable to cash.
- M. Checks payable to an account signatory must have adequate documentation and the check request form will need to be signed by either the ALA President or Secretary.
- N. All supporting documents should be stamped or adequately marked to prevent their reuse. Submitted check requests that are not approved for payment should be notated as rejected and the reason should be notated on the check request form. Paid check requests should be notated as paid including the date and check number.
- O. Check requests must include original receipts or invoices that clearly show what was purchased and from whom the purchase was made. Failure to include appropriate documentation to support the expenditure will be rejected.
- P. Bank accounts should be reconciled monthly by someone other than the Treasurer and any adjustments recorded in the records immediately.
- Q. Bank statements should be delivered unopened directly to the reconciler.
- R. Any issues associated with the reconciliation should be brought to the attention of the county agent immediately.
- S. The ALA Treasurer is to provide a monthly financial report, including all necessary documentation. The reports should be presented at the ALA meeting for review and approval, and copies of the monthly report should be provided to the Williamson County Extension office.

SECTION 3: RETENTION OF FINANCIAL RECORDS

- A. 4-H Adult Leaders Association is to retain records based on the IRS guidelines, which generally state the retention period runs three years after the date of the return is due or filed, whichever is later.
- B. It is the responsibility of the ALA President and Treasurer to develop a plan for keeping track of purchases, receipts, and bank statements.
- C. Per Texas 4-H, Inc. requirement: financial records (annual review of financial accounts and most recent bank statement) should be uploaded to 4-H Connect for Chartering.

SECTION 4: ACCOUNTABILITY

- A. Checks should be issued to suppliers only for payment of approved original invoices which have been submitted with a check request.
- B. A computer software package with adequate built-in controls is recommended any time a bank account is involved.
- C. All checks returned by the bank for insufficient funds should be dealt with immediately and a follow-up record maintained. Checks may no longer be accepted from any individual who has written an insufficient funds check to the ALA, based on the discretion of the Finance Committee.

- D. All funds must be accountable to the ALA budget that has been presented and passed by the ALA membership. Amendments and/or overages to the ALA budget should be presented at regularly scheduled meetings for approval by membership.
- E. No part of the net earnings of any chartered 4-H club shall be used for the personal benefit of, or be distributable to its members, trustees, officers, or other private person. ALA **SHOULD NEVER** use money from the ALA account or fundraisers to provide payouts to youth for participating in/working certain activities. The ALA can sponsor youth to participate in county/district/state or national 4-H activities. Those sponsorships are outlined in Section 10.
- F. The ALA shall adhere to all guidelines related to financial accountability as outlined in the Texas 4-H Youth Development 4-H Club Financial Management Rules and Guidelines.
- G. Upon disbandment of the ALA, all real property, including money, equipment and land shall become the property of the Williamson County 4-H Program for care and disposition and authorizes the Texas A&M AgriLife Extension Service and appropriate county extension agent(s) full rights to access bank records, bank funds, and all other banking authority. This also applies to all inventory and assets acquired by and or owned by the ALA.
- H. The last official duty of the ALA President shall be to affect the transfer of club property and to turn over ALA records to the county Extension Agent.

SECTION 5: DEBIT CARDS

- A. The recommended practice is to use checks for all payments; however, in those instances where a check payment cannot be made the ALA assumes the risk to utilize a debit card with adherence to the following guidelines:
 - 1) There will only be one (1) debit card in the ALA's name. It may not have the name of an individual.
 - 2) All purchases must be charged to the correct accounts when reconciling books.
 - 3) The bank will likely require a PIN to be selected. If this is the case, the debit card is to be used as a "credit card" (not requiring a PIN) when making a purchase. This will require a signature or zip code be entered to make the purchase, and the receipt for the purchase is required to be submitted immediately to the Treasurer.
 - 4) There will be NO cash advances or withdrawals using the debit card.
 - 5) If cash is needed for an event, it must be documented and submitted to the Finance Committee. All withdrawals MUST be made at the bank with a teller and by the Treasurer.
 - 6) The debit card must be checked out by anyone using the card. This should be documented through the use of a written log managed by the ALA Treasurer. All charges using the debit card should correspond to a check-out log entry.

SECTION 6: FUNDRAISING POLICY

- A. The County Extension office must approve any fundraising done in the name of 4-H.
- B. The amount of funds raised should correspond to the amount of the projected budget.
- C. Money raised for awards and recognition should be kept in line with proper youth development principles.
- D. A chartered 4-H Group/Club may hold as many fundraisers as they wish. However, only TWO of those fundraisers are state tax exempt. If more than two fundraisers are held, ALA is responsible for paying sales tax on the product sold.

- E. Raffles are considered a fundraiser and are limited to two (2) raffles per year.

SECTION 7: STATE SALES TAX EXEMPTION

- A. All Texas 4-H clubs/groups are required, by Texas law, to pay state sales tax on any purchase of goods, equipment, and supplies.
- B. The only exception to this rule is if a 4-H club/ has applied for, and received, a Texas Sales and Use Tax Permit through the Texas Comptroller of Accounts Office in Austin, Texas. If the 4-H club/group has acquired a Texas Sales and Use Tax Permit, the 4-H club/group is legally responsible for filing all required monthly, quarterly, or yearly documentation directly to the Texas Comptroller of Accounts.
- C. The ALA has not applied for, or received, a Texas Sales and Use Tax Permit and therefore should pay state sales tax on any purchase of goods, equipment, and supplies.

SECTION 8: CONFLICT OF INTEREST

- A. No 4-H youth, volunteer, or adult serving in a leadership role for a 4-H club/group, or any of its Committees, shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the Texas 4-H Program or any of its clubs/groups. Everyone shall disclose to the County Extension Agent any personal interest which he or she may have in any pending matter before the Texas 4-H Program or any of its clubs/groups and shall refrain from participation in any decision on such matter.
- B. No ALA Officers, members, or 4-H parent/family member may be involved in the selection of any ALA scholarship or award recipients.

SECTION 9: ADULT LEADERS ASSOCIATION SCHOLARSHIPS, GOLD STAR AWARD SCHOLARSHIPS, AND OTHER AWARD RECIPIENTS

- A. All scholarships must be included in the approved budget for the 4-H year in which they are awarded.
- B. Four (4) ALA Scholarships will be awarded annually provided funds are available and there are qualified applicants who meet all criteria outlined in the application. Applicants who do not meet all required criteria, do not submit their application/documentation by the published date/time, or submit an incomplete application will be disqualified. The ALA Scholarships award amounts will be:
 - 1) One scholarship in the amount of \$1,100
 - 2) One scholarship in the amount of \$900
 - 3) Two scholarships each in the amount of \$500
- C. Selection of all Scholarship and Award recipients is done outside of the ALA by an unbiased selection committee who has a vast knowledge of 4-H in general, but who is not directly associated with any of the applicants. No parent, sibling or relative of an applicant may serve on the selection committee. The committee may use the Texas 4-H office scoring matrix.
- D. Once the committee selects the Scholarship recipients, all parties involved in the awarding and recognition process should respect and honor the decision of the selection committee.
- E. Scholarship recipients must request the scholarship within two (2) years of high school graduation. The respective Scholarship amounts will be sent to the financial aid office of the college/university/technical school the recipient will attend after submitting proof of enrollment.

- F. The Gold Star Award is the highest achievement award given by the Texas 4-H Youth Development Program. Williamson County Gold Star Award recipients are eligible to receive a \$300 Scholarship upon graduation from high school. The Gold Star Award Scholarship must be requested within two (2) years of high school graduation. The Gold Star Award Scholarship will be sent to the financial aid office of college/university the recipient will attend after submitting proof of enrollment.

SECTION 10: SPONSORSHIPS, 4-H RELATED CAMP/EVENT TUITION, STATE AND NATIONAL CONTEST FEE REIMBURSEMENTS

- A. Each 4-H year the budget will include an amount available for sponsorships, 4-H related camps and activities, and State and National contest fee reimbursements based on the funds available
- B. All requests for sponsorships must be submitted in writing on the ALA sponsorship proposal request form to the Finance Committee 30 days before the funds are required to be paid. The current 4-H year form will be available at the Extension Office. Sponsorship amounts are limited to \$100 per 4-H member or \$250 per team. Submission of a written sponsorship proposal does not guarantee a sponsorship will be granted. Incomplete sponsorship proposals will not be considered.
- C. All reimbursement requests must be submitted on the ALA 4-H Camp/Event Tuition/State/National Contest Fee Reimbursement request for the current 4-H year. The reimbursement request must include proof of payment, and must be submitted by the deadline. Submission of a reimbursement form does not guarantee reimbursement will be granted. Incomplete request forms will not be considered.
- D. Eligible activities include 4-H Sponsored camp activities and 4-H project related activities sponsored by a college or university.
- E. Any fundraising, or reimbursement paid by other 4-H clubs or groups needs to be disclosed on the reimbursement form and will be considered when determining the reimbursement amount. Total reimbursement amounts should not exceed registration cost
- F. Subject to available funds, camp reimbursements are made to the parent or guardian of registered 4-H members for up to three (3) camps per child, per 4-H year based on funds availability and the following limitations:
 - 1) The reimbursement for the first camp attended will be one half (1/2) of the registration fee for a maximum reimbursement of \$100.
 - 2) If additional funds are available, a second and third camp may be reimbursed up to one half (1/2) of the registration fee for a maximum reimbursement of \$75.
 - 3) If the camp requires a chaperone, fees for one (1) chaperone per team or group up to eight(8) may be considered.
- G. Reimbursement for 4-H members attending State or National contests will be based on funds availability and the following:
 - 1) All requests must be submitted on the ALA Camp/Event Tuition/State/National Contest Fee Reimbursement request for the current 4-H year. The reimbursement request must include proof of payment, and must be submitted by the deadline. Submission of a reimbursement form does not guarantee reimbursement will be granted. Incomplete forms will not be considered.
 - 2) Registration fees for State Contests will be one half (1/2) of the registration fee for a maximum reimbursement amount of \$50.
 - 3) Texas 4-H Congress may be reimbursed for a maximum amount of \$100

- 4) National 4-H Congress, Texas Leadership Conference, National 4-H conference and National/International Competitions- may be reimbursed for a maximum amount of \$500 per 4-H member for teams up to four (4) members. National and/or International Competitions require the 4-H member to qualify at the state level and they may earn their position through application or competition.
- 5) If the National and/or International competition requires a chaperone, fees for one (1) chaperone per team or group up to eight(8) may be considered.