



New Mexico 4-H *Financial Management*

The College of Agricultural, Consumer and Environmental Sciences is an engine for economic and community development in New Mexico, improving the lives of New Mexicans through academic, research, and Extension programs.

4-H Money Reminders

Many new clubs don't handle funds - focus on club development first

Money raised for 4-H must be used on 4-H

Funds must be accounted for at all times

Mishandling funds will result in a club not being chartered

Audits are your friend

Always feel free to ask your agent for help!

Handling of Funds

- ❖ An organizational treasurer will be selected and assurance made that the treasurer knows how to keep records and properly manage funds.
- ❖ The treasurer must be a member or leader (in the club or county council desiring a treasury) to hold the treasurer position.

Handling of Funds

- ❖ Expectations of the treasurer include:
 - a. keeping records current on a monthly basis (accounting cycle is monthly)
 - b. being prepared to provide monthly reports even if the club does not meet monthly
 - c. insisting on an annual audit.

Handling of Funds

- ❖ The Treasurer and/or Leader(s) working with any 4-H Treasury will submit all receipts and expense and income records on the time frame established by the County Extension Office.

Handling of Funds

- ❖ Careful records will be maintained on all club and county council funds and an annual audit will be conducted.
- ❖ County Extension offices will require a report each year on funds and can require an audit at any time.

Handling of Funds

- ❖ If your club has funds, a bank account will be opened requiring two signatures: treasurer's and a leader's. If the treasurer is a youth, another volunteer leader must be the signer. Youth CANNOT be signers. Two members of the same family may not sign the checks. Two signatures are required on each check (checks may be ordered to accommodate 2 signatures). Personal accounts are not to be used.

Handling of Funds

- ❖ The treasurer is responsible for reviewing the approved signers on the account yearly and removing former signers.
- ❖ No bank cards are allowed.

Handling of Funds

- ❖ Agents must have administrative access to all 4-H bank accounts, but not signatory privileges on the 4-H accounts.

Handling of Funds

- ❖ Members should make financial decisions with help and direction from leaders.

Handling of Funds

- ❖ When purchasing products, leaders should read contracts carefully to determine obligations regarding unsold items, etc.

Handling of Funds

- ❖ Permanent structures or immovable equipment will not be placed on private property.
- ❖ 4-H groups will follow acceptable audit procedures.

Handling of Funds

- ❖ The Internal Revenue Service requires reporting of all funds raised in the name of 4-H. An IRS Employer Identification Number (EIN) is required for all checking and savings accounts. This number is obtained by filing an application for an Employer Identification Number (Form SS-4) with the IRS. Each club is required to provide their county office quarterly club financial reports.

Handling of Funds

- ❖ Leaders are not expected to supply materials for projects. 4-H members should arrange to supply either the materials, pay for the cost, or work with the 4-H leader to have materials donated

Handling of Funds from the 4-H New Mexico Policies and Procedures

1. Have a treasurer

Train your treasurer-help them learn to keep financial records

2. Expectations of the treasurer

- a. Keep records current every month
- b. Keep monthly reports
- c. Require an annual audit

Handling of Funds from the 4-H New Mexico Policies and Procedures

3. Books and Records

- a. Checkbook stubs record of deposits and checks written.
- b. Check stubs provide account balance
- c. Check stubs are the source document for receipts and disbursements.
- d. Receipts and disbursement journals are source document for financial statement
- e. **Keep these documents for 7 years**

4. Verification

- a. Financial statement verified monthly by bank reconciliation

5. Protection

- a. When handling funds be sure to have a segregation of duties. Such as more than one person watching over the funds collected
- b. Limit handling cash or have a strong cash handling policy
- c. Require an annual audit

6. Keep careful records and annual audit

- a. **County offices will require a yearly audit and can call for an audit at any time**
- b. Yearly auditing ensures funds are used correctly, and protects the club

Handling of Funds from the 4-H New Mexico Policies and Procedures

7. Have a bank account

- a. Each club has an EIN number from the IRS and this number should NOT need to be changed once established
- b. The account should require two signatures, and not from the same family. Youth CANNOT be signers on an account.
- c. Do not use personal bank accounts
- d. Do not use bank cards
- e. These policies allow transparency

8. Agents are not to be signatories, but do need administrative access.

9. Members make the Financial Decisions

To learn more about New Mexico
4-H Policies and Procedures go to
the NM 4-H website

<https://aces.nmsu.edu/4h/>

