

Oklahoma Cooperative Extension Service

Oklahoma 4-H

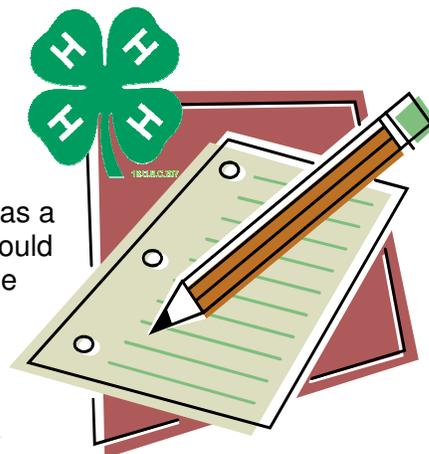
# Treasurer's Record Book



## About This Guide

This guide has been written primarily for the youth treasurer in mind. However, the principles are applicable to funds handled by adults as well. In some situations information is presented as a guiding principle, other times it may be a policy, or in some cases as a legal fact. If you do not understand some part of the guide you should seek the advice of your county Extension personnel. Ultimately the county office is responsible for all funds raised for or by 4-H in the county.

Source-This manual was adapted from the Michigan 4-H Club Development Guide, Michigan State University Extension, 9/2003.



## About Being an Officer

You, as the treasurer and all the other officers are representatives of your 4-H club. You represent your own club, and the 4-H program throughout the state. Your skills, abilities, standards, ideals, speech—and even smiles—represent Oklahoma 4-H'ers. Representing others is one of an officer's most important responsibilities because it exists at all times—not just while you are at a 4-H meeting.

## The Adult Partner's Role

You as the volunteer working with the youth leadership, play an important role. You will serve as a mentor in helping the treasurer learn management skills. In doing so, you also assume responsibility for helping the treasurer and other club members carry on the appropriate financial practices as described in this guide. Some of your specific duties include:

- Going to the bank with the approved officers to update the signature card annually or as officers change.
- Assisting the treasurer in completing the monthly report.
- Annually providing a financial summary for your club, which will be filed in the county Extension office.
- Advise the officers and members as needed, but keep in mind that the money belongs to the club not you or any one individual.
- Seek advice and support as needed to assure that funds are handled properly.

## About Being the Treasurer

The treasurer is responsible for taking care of the club's money and bank accounts. This responsibility requires honesty, integrity and cooperation with your club's members and leaders.

## The Treasurer's Responsibilities

Check the following items to verify that you understand and accept these responsibilities:

- I will inform the bank in which my club's funds are deposited that I am the new treasurer, present proper documentation that you hold the office and sign the appropriate forms so I can write checks drawn on the account.
- I will handle all money matters for my 4-H club.
- I will keep an accurate record in the treasurer's book or on an electronic accounting system of how all money is received and used.
- I will deposit all funds that my club earns or receives in the bank as soon as possible after receiving them.
- I will pay all of the club's bills promptly as budgeted or as directed by the members and approved by the president.
- I will prepare and present a summary of income and expenses at each meeting. I will also report the current balance of all accounts.
- I will complete the Annual Summary Financial Report (page 24) at the end of the club year and submit the report to my county Extension office.

## Handling Money

4-H clubs are public groups, open to all, without regard to race, color, national origin, gender, disability, religion or age. The money clubs receive from fees, bake sales and other fund-raising events is owned by the club, not by any one member or leader of the club. Because 4-H is a public organization, it is not “owned” by individuals the way a company is owned. Instead, 4-H is owned by the public. Therefore, the responsibilities of the 4-H club treasurer are quite different from those of the treasurer of a private company.

A treasurer in a privately owned company is responsible to the other officers of the company and to the owners or stockholders for managing and controlling the assets of the company. These assets include cash, bank accounts, buildings, land and equipment. The treasurer of a 4-H club is responsible not only to the other members, but also the adult volunteers and the public. Most clubs only have cash or bank accounts to manage, rather than land, buildings and equipment.

You’re in charge of “keeping the books,” that is, your club’s receipt book, checkbook and check register, payment vouchers and bank statements. The public calls for a higher standard of accountability and integrity for public groups. You can meet the high standards required of a 4-H club treasurer by studying and following the money handling methods found in this treasurer’s book. These standards apply whether a group has 25 cents or \$2500 in the treasury.

Conflicts may arise if money is not handled carefully and accurately. You can protect yourself and your 4-H club from conflict by being careful, responsible and accurate when handling the club’s finances.

### Receipts

When you receive money from club fees or a fund-raising activity, you must always write a receipt for it. Writing a receipt takes

a little time, but it helps protect your creditability. Without a receipt there is no way to prove that your 4-H club received a specific amount of money or that you handled it correctly.

Your 4-H club should have a receipt book with pre-numbered, two-part receipts. They are available from many office supply stores. If you make a mistake and have to void a receipt for any reason, mark both copies “VOID,” staple them together and keep them with the treasurer’s records. (See fig. 1 for a sample receipt.).

No. 1800	
Received	
From _____	
For _____	
By _____	\$ _____
Give white copy to customer	
Keep pink copy.	Date _____

Figure 1. Sample receipt.

### Receipts for Fees

There are no “Membership Dues” in the Oklahoma 4-H program; however, clubs may elect to assess fees for certain events or club functions. For example: your club may choose to assess each member a fee for insurance for the entire year or to underwrite the cost of a field trip, awards, project supplies, or other club functions. You don’t need to write an individual receipt for each person paying dues or fees. Just fill out the “Fees Form” (on page 16), total the amount of fees paid for the meeting and write one receipt for the total amount. On the receipt, write “club members” on the “Received” line and “Fees Received and the meeting date” on the “For” line (see figs. 2 and 3).

Fees Form													
Food Science Project Group				Amount of Fees to be Paid _____									
Members Name	Dates and Fees Paid												
<b>Total</b>													

Figure 2. Sample fees form

## Receipts for Money from Fundraisers

If your 4-H club holds a fund-raiser such as a bake sale or car wash, you don't need to write a receipt for each person buying a cookie or having his or her car washed, but you (or the shift leader) need to write one at the end of each shift or at the end of the day. Each group of workers must account for the money they have received.

Two people should count the money, agree on the amount and turn the money over to you. It's a good idea for you to verify the amount (recount the money) in the presence of the people giving you the money. Then give them a receipt for the amount they gave you (see fig. 4)

## Bank Deposits

Before you deposit a check to whom it is payable must endorse (sign) the back of it. Checks that are made payable to the club must be endorsed by signing the club name (as written on the check) and the treasurer's name. If someone writes a check payable to you that is intended for your 4-H club, endorse it by writing "Pay to the order of

(your club name)" and sign it. If your club handles large numbers of check, you may want to have a rubber stamp (see fig. 5) made with the club name and account number on it to save you time (and wear and tear on your writing hand).

Keep these things in mind when making deposits:

- Deposit all funds promptly. If your club receives more than \$10 at any time, deposit the money within three days.
- Endorse checks immediately when you receive them.



Figure 5. "For Deposit Only" rubber stamp.

## Preparing Deposits

Total the receipts you have written since you made the last deposit and compare that amount with the amount of cash, coins, and

checks you intend to deposit. The two figures should agree.

If the figures don't agree, repeat the process. When the two figures do agree, prepare a deposit ticket or slip similar to figure 6. If your club has a checking account, there is usually a supply of deposit slips at the end of each pad of checks. You also can pick up one in the bank lobby or request one from a bank teller.

DEPOSIT TICKET		DOLLARS		CENTS	
4-H Cloversall Club					
DATE: <u>May 27</u>	19 <u>94</u>	CURRENCY	<u>2</u>	<u>00</u>	
Signature: <u>Eva Reiter</u>		COIN	<u>1</u>	<u>31</u>	
Home Town Trust & Savings Bank		CHECKS	<u>11</u>	<u>03</u>	
073500 2 28 7334 864 0900		TOTAL FROM BANK	<u>14</u>	<u>50</u>	
		LESS: TOTAL CHECKS	<u>0</u>	<u>00</u>	
		TOTAL DEPOSIT	<u>14</u>	<u>50</u>	

Figure 6. Sample deposit ticket or slip.

Follow these steps when filling out a deposit ticket or slip.

1. Date the deposit slip.
2. Fill in the amount of currency (bills) and coins you are depositing.
3. List each check number and its amount separately (use the back of the deposit slip, if necessary).
4. Record the deposit in the checking account register (see fig. 9 on page 6).
5. Complete a duplicate of the deposit slip, and keep the duplicate with the bank receipt.

### Approving and Paying Bills

Part of your treasurer's report is asking for and receiving the club members' approval to pay the club's outstanding bills. After the members approve paying the bills, write a check for the approved amount for each bill.

The usual way to pay bills is with a check. Holding cash back from deposits and then using the cash to pay bills is **not** good practice, because it doesn't leave a record or provide proof of payment. A proper receipt protects your creditability as treasurer.

### Checks

Follow these steps when writing checks.

1. Use ink.
2. Never erase a mistake. If you make a mistake, write "VOID" on the spoiled check and start a new one. Keep the voided check don't destroy it.
3. Write the day's date on the check.
4. Start writing the name of the person or business to whom the check is payable as close to the "pay to the order of" as possible.
5. Leave as little space as possible between the figures and words when filling in the amount lines. This helps prevent someone else from changing a \$1 check, for example, into a \$100 or \$1000 check.
6. Begin writing the amount at the extreme left of the amount line. Be sure the written amount agrees with the numeric amount. Avoid writing checks for less than \$1, but if you have to, start the "Amount" line by writing the word "Only" and then the amount.
7. Sign the check with your authorized signature, the same way you signed the signature card at the bank when you became treasurer. One of the two adults listed on the account must also sign each check.
8. If a blank check or one written on the club's account is lost, notify the customer service department of the bank at once.

1152

**4-H Cloversall Club** \_\_\_\_\_ 20\_\_

PAY TO \_\_\_\_\_ \$ 33-22/730

THE ORDER OF \_\_\_\_\_

\_\_\_\_\_ DOLLARS

**Home Town**  
Trust & Savings Bank  
PURPOSE \_\_\_\_\_

Figure 7. Sample check

<b>Payment Voucher</b>		
_____		
4-H club name		
Date: _____		
Pay to: _____		
(Copy of bill or statement must be attached.)		
Items Purchased:	Project:	Amount:
_____ Date: _____		
Club president's signature		
_____ Date: _____		
Club secretary's signature		
Check number: _____		Date: _____
By: _____		

**Figure 8. Sample payment voucher**

### Payment Vouchers

A payment voucher is a form that records your 4-H club's approval to pay a bill. You should prepare a payment voucher before paying any bill.

After a bill is approved prepare a check to pay it.

After you write a check to pay a bill, attach the invoice (bill) or receipt to the payment voucher and finish filling out the payment voucher (see fig. 8). Blank payment vouchers are found on page 15.

### Maintaining the Check Register

To keep your 4-H club's check register up to date, follow these steps.

1. Write the check number and the date it was written in the appropriate columns.
2. In the "description of transaction" column, write to whom the check was made payable.
3. Enter the check amount in the "payment/debit" column and in the balance column. Then subtract the check amount from the account balance on the line above and enter the new balance.
4. You can use the "T" column at the end of each month when you reconcile the account against the bank statement. Use this space to check off the checks and deposits that have cleared the bank (this information comes from the bank statement or the checks that have been returned to you).
5. The "Fee, if any" column is the place to list any fees the bank has charged your club for cashing or purchasing checks or for preparing an account statement. Fees (service charge) will appear on the bank statement. Enter the fee amount and subtract it from the account balance and record the new balance.
6. Record the amount of any deposits in the "deposit/credit" column. Then add the deposit amount to the account balance on the line above and record the new account balance straight across.

<b>Checking Account Register</b>							
<b>Record All Charges That Appear On Your Statement</b>							
Number	Date	Description	Payment/D ebit (-)	T	Fee (Of amu) (-)	Deposti/credit (+)	Balance

**Sample 9. Sample Check Register**

## The Treasurer's Report

The treasurer's report informs members of the club's financial activity for the past month. After you complete a copy of the "Monthly Treasurer's Report" (see fig. 10), circulate a copy of the report and the club's bank statement. Then present for the club's approval the bills to be paid in the next month. Blank report on pg. 18.

After the club has reviewed your treasurer's report and verified that it is reconciled with the bank statement, a member moves to accept the treasurer's report, the motion is seconded and the club votes on the motion. If the motion is approved, the secretary enters a copy of the treasurer's report into the minutes. The secretary/treasurer keeps the bank statement, payment vouchers, annual summary financial reports and all receipt books in the club's permanent

_____	
Club name	
<b>Monthly Treasurer's Report</b>	
1. State the beginning balance:	
Date: _____	Balance: _____
2. Indicate money received:	
amount \$ _____	for what purpose _____
amount \$ _____	for what purpose _____
amount \$ _____	for what purpose _____
Total received: \$ _____	
3. State the expenses:	
\$ _____	to _____
for what purpose _____	
\$ _____	to _____
for what purpose _____	
\$ _____	to _____
for what purpose _____	
Total expenses: \$ _____	
4. Indicate closing balance:	
Date: _____	Closing balance: \$ _____
If the club has a checking account, do the following:	
Add back checks that haven't shown up on the bank statement plus _____	
Subtract deposits not showing up on bank statements minus _____	
Adjusted balance should agree with bank statement equals _____	
Include clear copy of bank statement that agrees with the total adjusted Balance, directly above.	
Prepared by: _____	Accepted by: _____
<small>Club treasurer's signature</small>	<small>Club president's signature</small>
Date: _____	Date: _____

### Sample 10. Monthly Treasurer's Report.

records

## Guidelines for Clubs Without Checking or Saving Accounts

Some clubs operate without checking or savings accounts. Even without a bank account, clubs must follow certain guidelines.

Clubs without bank accounts must follow the same bill paying system as clubs with bank accounts. The difference is that you will purchase money orders or cashier's check from a bank to pay bills instead of using the club's own checks.

Another difference is that your monthly treasurer's report leaves out the bank account reconciliation. You'll also use the "Record of Club Finances" (see fig. 11) instead of a check register. All other financial rules and guidelines for clubs with bank accounts apply to clubs without bank accounts. Blank form on page 17.

1. In the "date" column, write the date the transaction took place. In the "For What Purpose" column, write to whom the payment was made.
2. Enter the cashier's check, money order or cash payment amount in the "Amount" column. Then subtract the amount of the payment from the remaining balance on the line above and enter the new balance.
3. Fees for purchasing checks or money orders should be listed in the same manner as any other payment. Subtract the fee amount from the balance on the line above.
4. When the club receives money, record the amount in the "From What Source" column. Enter the amount received in the "Amount" column and add the amount to the balance on the line above and enter the new balance.

Record of Club Finances					
Cash Received			Cash Paid Out	Balance	
Date	From What Source	Amount	For What Purpose	Amount	Balance at end of each entry

Sample 11: Record of Club Finances

## 4-H Funds in School Activity Accounts

In some communities, where 4-H is closely affiliated with the public school, funds may be handled through a school activity account. While this does provide a good accounting system there are often more steps needed to deposit and spend funds, as the school's accounting guidelines and policies of the school district must also be followed.

In some cases, there may be guideline conflicts with how funds are expended, especially if the club is dissolve, or if fundraising is done. Before placing club funds in a school activity account, be sure to consider the pros and cons of this arrangement.

It should be noted that any group or individual that collects funds under the name of 4-H must follow the federal "name and emblem" use guidelines which are available online at: [http://www.national4-headquarters.gov/4h\\_name.htm](http://www.national4-headquarters.gov/4h_name.htm)

## Completing the Annual Summary Financial Report

**Note to leaders:** The Oklahoma 4-H Youth Programs is part of Oklahoma State University and Langston University Cooperative Extension Service, which as its name suggests, is part of the Land-Grant University System. That's one reason why it's important that volunteers effectively manage public funds raised as a part of the

activities of the 4-H club, council, committee, foundation, PVA, or other related organization. The other reason is that we're working with and trying to set a good example for kids.

The Annual Summary Financial Report (see fig. 12 on page 9) fulfills several needs: It creates an open public record of each group using the 4-H name and emblem, and it fulfills the audit concerns of Oklahoma Sate University. The Annual Summary Financial Report is how Extension-related organizations help the university fulfill its obligation of fiscal accountability to the residents of Oklahoma. While an OSU auditor generally does not do an annual audit, that person will check to see that reports are on file in the office and are being reviewed annual by the county staff, hopefully with the assistance of qualified volunteers.

The Annual Summary Financial Report is due to your county Extension office by June 30 of each year. (Blank form pg. 19) Even if your club doesn't handle any money during the year, you must still submit this report. Just mark 0's in the blanks, sign and date the form, and turn it in. The report also can be adapted for use as a monthly Treasurer's Report if your club wishes. Take a few minutes to read the directions that follow to see what information you need to gather before you begin.

## Annual Summary Financial Report

For the Period July 1, 20\_\_ to June 30, 20\_\_

Club name: \_\_\_\_\_

Account balance at beginning of year:		Plus	A
Sales revenue (list each separately):			
1.			
2.			
3.			
Sales subtotal (add items 1-3 above)	B		
Grant and other nontaxable activities revenue (list each separately):			
1.			
2.			
3.			
Nonsales subtotal (add items 1-3 above):	C		
<b>Total revenues for year</b> (add sales and nonsales subtotals)		Plus	D
<b>Expenditures</b>			
1.			
2.			
3.			
4.			
5.			
6.			
<b>Total expenses for year</b> (add lines 1-6 above)		Minus	E
<b>Account balance at end of year</b>		Equals	F
Add back checks that haven't shown up on bank statement		Plus	G
Subtract deposits that haven't shown up on bank statement		Minus	H
<b>Adjusted balance</b> (should agree with bank statement; include a clear copy of bank statement that agrees with this total adjusted balance)		Equals	I
Prepared by: _____	Date: _____		
Audited and approved by: _____	Date: _____		
Approved by Extension: _____	Date: _____		

\*If the **Sales Subtotal (B)** is less than \$5000, you don't have to figure sales tax because you're 4-H club or group owes no sales tax. If the **Sales Subtotal (B)** is \$5000 or more, divide the **Sales Subtotal (B)** by 16.67 to get the amount of sales tax your group must remit.

Figure 12. Sample Annual Summary Financial Report.

## How to Complete the Annual Summary Financial Report

1. The Annual Summary Financial Report sums up your club's financial activities during the program year (July 1- June 30). On the first two lines, fill in the dates covered by the report and the name of your club.
2. **Account Balance at Beginning of Year (A)**—Enter the balance your club had on hand in a bank, savings and loan, or credit union, or in a safe place at home if your club doesn't have an account. If your club does have an account, this balance would be the ending balance on the June statement.
3. **Sales Revenues**—If the club has raised funds during the year through sales, list the method and how much was raised. If the funds were part of a countywide effort, list only the portion that was retained or provided back to the club. (If funds were raised then turned over to the county treasury, note that in the monthly financial report so you will have documentation of those transactions.)
4. **Grants and Other Nontaxable Activities**—This is the place to report income from a service activity. List the event or activity, the date and the total amount raised. Total the proceeds from these events and enter the amount as **Nontaxable Sales Subtotal (C)**.
5. **Add the two revenue subtotals (B and C) together and enter the amount on the Total Revenues for Year (D).**
6. Summarize the **Expenditures** for each event or activity. List the event, the date and the amount spent on each event. (For example, the pizza party might include pop, pizza, plates, cups, napkins and cookies.) Add all the expenses for each event together so that there is only one line for each event.
7. Add the expenses for the year together and write the amount on the **Total Expenses for Year (E)**.
8. Add the **Account Balance at Beginning of Year (A)** and the **Total Revenues for Year (D)** then subtract the **Total Expenses for Year (E)**. The total is the **Account Balance at End of Year (F)**.
9. Now compare the **Account Balance at End of Year (F)**, with the ending bank statement balance on June 30. If it doesn't agree, you need to **Add Back Checks That Haven't Shown Up on Bank Statement (G)** and subtract **Deposits That Haven't Shown Up on Bank Statement (H)**. If it still doesn't add up, go back and check that you have included all the revenues and expenditures for the year. This activity is essentially the same as reconciling a checkbook, except the report summarizes all financial activities.

## Important Financial Reporting Information

**Note to 4-H parents and leaders:** You should become familiar with the information in this section to help your club treasurer with the required forms and financial reporting.

### Financial Guidelines for Oklahoma 4-H Clubs

Under U.S. Department of Agriculture and Oklahoma State University guidelines, the county Extension office is required to keep track of all transactions related to finances in 4-H clubs. It's extremely important that all 4-H clubs show the source of any money they have raised and how it is disbursed.

Clubs do not pay county, state or national membership dues. Local clubs may choose to raise money for their club goals through fund-raising or fees or both. A club treasury is optional but necessary if funds are maintained for club use. Fund-raising should be done for the good of the total group and should be consistent with the county 4-H fund-raising policies. Fund-raising should not be the main focus of group activities nor exclude any individual from participation. Clubs are expected to support the financial needs of the total group and when possible, assist with participant costs in county, state, national and international programs. The following guidelines are in effect to help clubs fulfill their responsibilities for handling funds:

1. Every club that has a checking or savings account is required to have an Employer Identification Number (EIN). 4-H clubs with money in a bank need to apply for EIN from the Internal Revenue Service using Form SS-4. (The form is downloadable from the IRS.) Be sure to put "4-H" as the first word of your club name on the form and on your club bank accounts. This will speed up the application process and help ensure that

the IRS grants your club nonprofit status. The club needs to report its EIN to the bank and the county Extension office. Clubs can be fined \$50 by the IRS for failure to report an EIN.

***An EIN number does not equate at all to tax status; it is an identification number only.***

2. The club treasurer should use the forms in the **Oklahoma 4-H Treasurer's Record Book, or and electronic accounting system** to show cash received, where the money came from and payments made, complete with check number, date and purpose. If the club does not have a checking account but does have a savings account, checks should be purchased from a bank or credit union. For the treasurer's protection, copies of these checks are to be recorded and maintained.
3. Payments should be made only in response to a formal written bill or invoice. The itemized invoice, clearly stating what was billed, with the check number and date of the check on it, will become a permanent part of the treasurer's records. This practice is very important to protect the treasurer's creditability.
4. Clubs are strongly encouraged to prepare a budget for the year. A budget is a written plan for raising and spending money for a set period of time, usually one year. Since the members of the club approve a budget, it's not necessary to seek approval for payment of items already listed in the budget. If a club doesn't have a budget or items arise that are not part of the budget, each item needs to be presented to the members for approval before payment. This accomplishes two things. First, all expenditures of the club funds are made

with the full approval of the club.  
Second, this is a great way for the club members to learn how money flows into and out of an organization.

5. All money received should be acknowledged with a written receipt, preferably pre-numbered. The receipt should include the source of the funds (such as a car wash or book sales), the date, and if possible, the name of the person making the payments. These receipts are the back-up documentation for any bank deposits made. The receipts should also become a permanent part of the club records.
6. All bank statements, receipts, canceled checks, checkbooks, savings account books and the **Oklahoma 4-H Treasurer's Record Book** must be submitted to your county Extension office **if and when** requested by Extension staff. The 4-H Educator or county Extension director (CED) can request periodic audits and have financial reports submitted annually to the Extension office for review.
7. Each club should require at least two adult leaders' names and the youth treasurer's name to be on the bank account (**with neither adult leader being the parent of the treasurer**). Two signatures will be required on each check issued. **No 4-H staff member's signature may appear on any 4-H account belonging to a 4-H club.**
8. All fund-raising activities should be reviewed and approved by the Extension Educator or CED before the event. All money raised using the 4-H name must be used only for 4-H activities. Because these funds are publicly accountable, they must not be used in any way to enrich individuals. This means that money may not be given out to individual club members or others, but must be used to pay for educational programs, activities, workshops or 4-H club supplies. **Money may be transferred to fund county, state or national 4-H programs.**
9. Noncash donations to clubs (for example, consumable donations of supplies or miscellaneous items) should be acknowledged in writing to the donor. A copy of acknowledgment must be kept in the club treasurer's records. Nonconsumable donations such as equipment or animals should be accepted only if the club is prepared to accept the responsibilities of ownership including care, maintenance and insurance. Written acknowledgment should be sent to the donor and a copy must be kept in the club treasurer's records. The Internal Revenue Service requires that the donor and the organization receiving the gift if a noncash gift is valued at \$5000 or more complete a specific set of written documents. In such a case, consult a qualified attorney. Valuation of a noncash donation is the responsibility of the donor, in consultation with his or her tax advisor and individuals qualified to appraise items of this type. It is not appropriate for a 4-H group, staff member or volunteers to place a value on items donated. Donors cannot specify the individual recipient of cash or noncash donations. Clubs should not feel compelled to accept noncash gifts. The Extension educator responsible for 4-H Youth Programs should be contacted whenever the club has questions about the appropriate action with respect to accepting and managing any donation.
10. Clubs may use the national 4-H tax-exempt number when receiving gifts. That number is 2704.
11. Clubs may not use the State 4-H Office, Foundation, or OCES tax-number when making educational purchases for club use. In Oklahoma, schools are automatically exempt, so if items are being purchased have a sizable amount of tax on it, contact the Extension office to determine if it would be appropriate to make the purchase through the office's agency account rather than by the local club.

12. Sales Tax—Title 68, Section 1356, No. 14 of the Oklahoma Tax Code exempts from sales tax those purchases made for the purpose of raising funds for 4-H activities. Clubs that plan to do significant amounts of sales should apply for a “tax exemption permit” card with the Oklahoma Tax Commission. This card will allow you to make exempt purchases but does obligate the club to make regular report of transactions, even those that are exempt.
13. Any 4-H that disbands with money left in its account must remit those funds to the county PVA Foundation, 4-H council or county Extension office. All property belonging to the club must be disbursed of in the same manner. Club members may request that the money be used for a specific 4-H program within the club, county or state. This request will be acted on by the county 4-H PVA in concert with the Extension staff responsible for 4-H Youth Programs at the time the club is dissolved. If a club divides, creating more than one charter club, the funds from the original club must be evenly disbursed, based on membership, in each club. Because the funds are public not private they cannot simply be divided among the members. Funds could however be used to provide member support for 4-H functions after a vote of the membership.
14. The Extension staff responsible for 4-H Youth Programs must investigate the disbursement of 4-H funds by any club if 4-H members or parents make a complaint. Issues of this nature can be avoided by following these guidelines. Concerns can be settled quickly if clubs have kept their books up-to-date and have followed these guidelines. When irregularities are discovered the staff will report those to their appropriate supervisors and legal action will be taken as necessary.
15. Clubs that don't have treasuries and don't handle any money need to mark 0's on the Annual Summary Financial

Report, sign and date the form, and return it to the count Extension office by June30 of each year.

## Some common questions:

Some common questions about Oklahoma sales tax and how it relates to Oklahoma State University Extension-related organizations are answered in this section.

### 1. **I thought Extension and 4-H were exempt from sales tax.**

When a 4-H club PVA or foundation buys something for its 4-H programs, it doesn't pay sales tax or remit tax, IF they have applied for a tax-exempt card. If your club does not have a card (number) you are responsible for paying the tax on items you purchase.

Title 68, Section 1356, No. 14 of the Oklahoma Tax Code exempts from sales tax those purchases made for the purpose of raising funds for 4-H activities. Clubs that plan to do significant amounts of sales should apply for a “tax exemption permit” card with the Oklahoma Tax Commission.

Generally there is a break-even amount that needs to be considered when applying for exemption. If you do not plan to purchase at least \$300 annually for re-sale it is not cost effective to apply for the card and do the reports.

### 2. **Do kids have to pay sales tax when their project animals are auctioned off?**

No. Neither the seller nor the buyer pays sales tax on animals sold at a 4-H Bonus Auction. The buyer can only count, as a contribution the amount above fair market value if they take possession of the animal. The complete amount can be claimed if possession is not taken.

### 3. **If our club holds a bake sale, a candy sale, a craft sale or a car wash to raise money, do we have to collect and pay sales tax on the proceeds?**

No.

### 4. **Is there sales tax if we raffle off something or hold a drawing?**

Games of Chance are always illegal in Oklahoma. So, in this case the tax is not an issue but having a raffle where you collect money is illegal and should not be done. The only games of chance are those where everyone who pays gets a prize with the value collected.

**5. If we're not sure whether something our club is doing is taxable, what should we do?**

Generally, the very simplest thing to do is to go ahead and pay the tax. Check with your county Extension office, but keep in mind that 4-H is supported in part by tax dollars so you are indirectly supporting the program if you're paying sales tax and generally it will not make a significant difference in your margin of profits. Usually it's easier to raise the price of something enough to cover the tax than to worry about it.

If you have any questions or concerns about sales tax issues, contact your county Extension office.



# Fees Form

Activity/Project:

Amount of Dues to Be Paid

Member's Name	Date and Dues Paid											
<b>Total</b>												

**Please photocopy as needed**

## Record of Club Finances

Cash Received			Cash Paid Out		Balance
Date	From What Source	Amount	For What Purpose	Amount	Balance at end of each entry
<b>Total</b>					

**Please photocopy as needed**

Please photocopy as needed

\_\_\_\_\_ Club name

### Monthly Treasurer's Report

1. State the beginning balance:

Date: \_\_\_\_\_ Balance: \_\_\_\_\_

2. Indicate money received:

amount \$ \_\_\_\_\_ for what purpose \_\_\_\_\_

amount \$ \_\_\_\_\_ for what purpose \_\_\_\_\_

amount \$ \_\_\_\_\_ for what purpose \_\_\_\_\_

Total received: \$ \_\_\_\_\_

3. State the expenses:

\$ \_\_\_\_\_ to \_\_\_\_\_

for what purpose \_\_\_\_\_

\$ \_\_\_\_\_ to \_\_\_\_\_

for what purpose \_\_\_\_\_

\$ \_\_\_\_\_ to \_\_\_\_\_

for what purpose \_\_\_\_\_

Total expenses: \$ \_\_\_\_\_

4. Indicate closing balance:

Date: \_\_\_\_\_ Closing balance: \$ \_\_\_\_\_

If the club has a checking account, do the following:

Add back checks that haven't shown up on the bank statement **plus** \_\_\_\_\_

Subtract deposits not showing up on bank statements **minus** \_\_\_\_\_

Adjusted balance should agree with bank statement equals \_\_\_\_\_

Include clear copy of bank statement that agrees with the total adjusted Balance, directly above.

Prepared by: \_\_\_\_\_ Accepted by: \_\_\_\_\_

Club treasurer's signature

Club president's signature

Date: \_\_\_\_\_ Date: \_\_\_\_\_

Please photocopy as needed

<b>Annual Summary Financial Report</b>			
Acct. # _____	Signatures on Account _____		
Name of Bank/CU/Institution _____		For the Period July 1, 20__ to June 30, 20__	
Club or council name: _____			
Account balance at beginning of year:		Plus	A
Taxable sales revenue (list each separately):			
1.			
2.			
3.			
Sales subtotal (add items 1-3 above)	B		
Grant and other nontaxable activities revenue (list each separately):			
1.			
2.			
3.			
Nonsales subtotal (add items 1-3 above):	C		
<b>Total revenues for year</b> (add sales and nonsales subtotals)		Plus	D
<b>Expenditures</b>			
1.			
2.			
3.			
4.			
5.			
6. Sales tax*			
<b>Total expenses for year</b> (add lines 1-6 above)		Minus	E
<b>Account balance at end of year</b>		Equals	F
Add back checks that haven't shown up on bank statement		Plus	G
Subtract deposits that haven't shown up on bank statement		Minus	
<b>Adjusted balance</b> (should agree with bank statement; include a clear copy of bank statement that agrees with this total adjusted balance)		Equals	I
Treasurer/Org. Leader _____		Date: _____	
Audited and approved by: _____		Date: _____	
Approved by Extension: _____		Date: _____	

\*If the Sales Subtotal (B) is less than \$5000, you don't have to figure sales tax because you're 4-H club or group owes no sales tax. If the Sales Subtotal (B) is \$5000 or more, divide the Sales Subtotal (B) by 16.67 to get the amount of sales tax your group must remit. \*Records kept electronically - attach a computer printout of ledger of detailed record of income and expenses.