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Handling Money in the North Dakota 4-H Program

Basic principles of money management for publicly funded groups help maintain the integrity of 4-H, ensures that the program meets the needs of youth and protects the integrity of those who are involved in the program.

4-H is a public organization. This means the program is open to any youth within eligibility parameters; the organization is accountable for all funds; and, money received belongs to 4-H. This includes money from all sources, whether from donations, dues, fund-raising or other sources. Club by-laws should include an article stating the amount of club dues. See the Constitution and By-Laws handout for more information.

4-H groups using the 4-H name and emblem must follow federal and state policies and rules. Funds that are raised under the 4-H name and emblem must be used for educational purposes. The Extension Agent in each respective county where a club or other local 4-H group is located has the responsibility for ensuring these policies are followed. This includes how 4-H clubs/groups manage their money.

Expectations of 4-H clubs/groups include maintaining a record of all contributions and money received and expenses incurred. 4-H clubs/groups must report financial activities by filing the necessary forms to the appropriate reporting entities which may include the local extension office, the Internal Revenue Service (IRS), etc. Funds **MUST NOT** be used for personal financial gain for any individual. Pocket money, personal items, and souvenirs are not legitimate uses of money raised in the name of 4-H.

Money Management is a Learning Opportunity. The handling of 4-H funds provides youth an opportunity to learn life skills and develop competencies in money management. All 4-H funds must be managed through a checking account that is established and held at a public financial institution. This could be a bank, credit union or other public institution that holds money for its citizens.

All 4-H clubs/groups must follow best practices for the management of its funds:

- All checks require two authorized signatures.
- File an annual financial report to the local extension office that authorized the club to use the 4-H name and emblem.
- Upon dissolution of a club/group:
 - all 4-H group assets and financial records must be turned over to the Extension office
 - Funds will then be turned over to a county 4-H council or appropriate group.
- It is expected that County 4-H Councils follow the **SAME** policies as other clubs or groups. They should handle financial transactions for the portion of the county 4-H program not paid for with public funds.

The local financial institution will require an Employer Identification Number (EIN) in order to open an account with their institution. The application is submitted to the Internal Revenue Service (IRS) by completing FORM SS-4.

Instructions for completing the SS-4 Form as a 4-H entity. An EIN may be obtained by filing an application for Employer Identification Number with the IRS.

<https://www.ndsu.edu/fileadmin/4h/ClubMaterials/SS-4.pdf>

When your club/group opens an account with a bank they will ask for this number. **Never** use someone's social security number when opening an account for a 4-H club/organization.