



*The ultimate goal of 4-H project work is to develop young people. 4-H uses a variety of ways to acknowledge the learning that takes place during participation in the program. Premium sales are held to support this purpose. The following principles should be used when county extension staff work in partnership with local stakeholders to determine how these opportunities are implemented. In the case of 4-H premium sales, important stakeholders may include buyers (or potential buyers), 4-H members and their families, the county 4-H Council or other local adult volunteer leadership groups who work with the event.*

**Prefer local decision-making.** It is our expectation that our county extension staff work in partnership with local stakeholders regarding how the program will be implemented. In this case, important stakeholders include buyers (or potential buyers), 4-H members and their families, and the local adult volunteer leadership who works with the event.

**Auction principles:** 4-H youth who complete 4-H projects, particularly those involving livestock and other farm animals, have often had the opportunity to sell their project at an auction that is part of a county and/or state fair or some other event set up for this purpose. In some cases, this has been a long-standing and vital part of the 4-H educational experience. Generally speaking, these auctions have been organized and conducted using practices consistent with auctions for other types of items which include supporting the principles of a free market economy and society.

These practices involve the presence of 1) a willing buyer, 2) a willing seller and 3) a price being established by selling the item to the highest bidder. There can be several variations on the basic form of the auction, including minimum or maximum limits on bid prices, special rules, etc.

**Good Will.** Buyers at these auctions participate because of the good will it provides. They participate as a way of *acknowledgment*, through a monetary means, of the hard work a youth puts into a project. They also recognize that 4-Hers are consumers and members of their customer base. Buyers who participate feel like it is a good investment. Private sector support is a critical element that helps provide what public funds can't.

**Life Skill Development.** When County Extension Agents talk to others about the importance of the 4-H program, it is important they share the life skill development that youth are gaining. In the case of livestock, the experience of youth owning and working with animals, being responsible for their care, health, and growth, and exhibiting them in a competitive environment is a tremendous character building process. The sale experience contributes to life skill development by teaching principles of economics, commodity differences, product worth, marketing yourself, brand value/name and how a variety of other factors influence price and value.

**Role of Recognition.** Research shows that competition keeps youth engaged and involved. The North Dakota 4-H program utilizes the National 4-H Recognition Model as the framework for recognizing youth participating in the program. The framework entails several principles to utilize in recognizing youth and competition in various forms underpins some of the principles. The ultimate goal of the 4-H project work is to *develop young people*.

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**Observing 4-H Name and Emblem, Federal tax laws and Internal Revenue Service (IRS) regulations.** Like other aspects of the 4-H program, auctions are subject to 4-H Name and Emblem, Federal tax laws and Internal Revenue Service (IRS) regulations. All 4-H members, organizations and contributors involved in these sales and events are strongly encouraged to seek guidance from their tax advisors regarding their specific accountability and situation. Groups using the 4-H Name and Emblem as part of a 4-H premium sale should be properly authorized, chartered or have completed a Memorandum of Understanding with the respective county or state 4-H office.

It must be noted that if these sales, auctions or similar events are used as fund raising for 4-H, State and local Extension officials must insure that the funds are given and used in accordance with Title 7 of the Code of Federal Regulations section 8 guidelines pertaining to 4-H educational programs. In brief, these fund raising activities must have the approval of the appropriate Cooperative Extension office, be given and used for priority educational purposes, accounted for efficiently and there must be a definite plan to account for funds raised prior to authorizing the use of the 4-H Name and Emblem for the sale, auction, etc. See Fact Sheet "Fundraising: Private Support for the 4-H Program", National 4-H Headquarters-USDA, dated July 2006.

**Equity, Access and Opportunity.** The national 4-H strategic plan, "The Power of Youth in a Changing World", identifies several goals related to Equity, Access and Opportunity. Subsequently, these goals also become part of the *National 4-H Learning Priorities* of our system. The intention of this is for 4-H to serve all communities by providing equitable access and opportunity for all youth, volunteers and staff. Additionally, it calls for us to be aggressive in reaching un-served, under-served, and under-represented children and their families and in leveraging our extension networks and technology to help people make decisions and solve problems. This component also relates to our civil rights responsibility of making the 4-H program available to all.

Within the context of 4-H auctions, this means that participation in sales should not be limited other than meeting a quality standard, such as no white ribbon animals can be sold. Participation should also be strictly voluntary.

**Fairness.** Fairness is one of the six pillars of CHARACTER COUNTS®, a project of the Josephson Institute of Ethics whose work has been adopted in many state 4-H programs, including the North Dakota 4-H program, to teach good character. There are two aspects of fairness: process and results. The process aspect of fairness requires fair notice, impartiality, fact-gathering, and fair hearing. The results aspect relates to what we decide. There are a wide variety of approaches to fairness. This means that for every decision there will be people who claim it's unfair. There is no single standard of determining what people deserve. Several of the theories of substantive fairness play out differently in the context of premium sales and they impact the outcome of the effort. This does not mean, however, that the fairness pillar is being improperly understood or executed as it relates to premium sales. We often think of situations that put us at a disadvantage as "unfair." Although some decisions appear unfair, the fact is that there is usually more than one fair choice. Being fair means you play by the rules, take turns and share, keep an open-mind and listen to others, and avoid taking advantage of others.

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Source: Brad Cogdill, Center for 4-H YD  
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