4-H Money Management Handbook, updated Nov 2014...new information id'd with arrow

The 4-H youth development program is the youth outreach of the Land Grant Universities and Institutions (LGU’s), Cooperative Extension Services, and the U.S. Department of Agriculture (USDA). LGU Administrators and Directors, or their designees, are responsible for the design and delivery of their 4-H programs. This includes (1) duly authorizing 4-H clubs and 4-H affiliated organizations, and (2) ensuring program integrity and fidelity, which includes fiscal and fiduciary responsibilities. 4-H clubs, committees, and affiliates derive their tax exempt status from the University of Vermont and as such, adhere to UVM’s financial policies.

Clubs, committees and affiliates wishing to fundraise or accept donations to support 4-H activities need to have an account held at the University of Vermont. A pre-paid bank card provided by US Bank will be issued to 4-H entities as a preferred method of accessing the dollars held with UVM. It is the 4-H volunteer’s responsibility to ensure that all purchases made are tax free and that receipts are forwarded in to the County 4-H office on a regular, monthly basis to ensure compliance with UVM financial policies. Clubs will also need to submit an annual financial report that gives detail about how income was raised and what categories expenses were incurred annually.

Volunteers with assigned cards may view their accounts online via the US Bank portal at any time. If a volunteer does not have internet access, your County 4-H Educator, if provided the login information, may access that information on the volunteer’s behalf. Please note that any dollars in a gift account will not be accessible through the US Bank portal. Gift dollars are held at the UVM Foundation and a monthly report will be provided separately.

This handbook provides directions for handling both income and expenses as well as provides a frequently asked questions section. If you are still unclear or have additional questions, please ask your County 4-H Educator or call the State 4-H Office at 1-800-571-0668.

If anything, remember these five things:

- Communicate, communicate, communicate with your County 4-H Educator!
- Plan ahead, as far ahead as possible!
- Use your card as a credit card whenever possible!
- Don’t get charged tax – make sure you tell the cashier your purchases are tax exempt!
- Keep and turn in your receipts monthly! Scans or pictures are acceptable.

Other Important Information:

- The billing address (often needed for making online purchases) is 23 Mansfield Ave., Burlington, VT 05401-3323 OR 19 Roosevelt Highway, Colchester, VT 05446 (if one doesn’t work, please try the other).
- If you forget your password for the US Bank site and call in for help, the social/number they will ask you for is 3964.
Directions for Handling Income

(all checks need to be made payable to UVM or University of Vermont, any checks being sent in the mail should be endorsed with the following statement: For Deposit Only, UVM. Club account numbers can be written in the memo line).

- **Fundraisers** (bake sales, raffles, etc..) – The Leader may deposit checks to the lockbox using the deposit slips and envelopes provided. Checks must be endorsed with the following: “For Deposit Only, UVM” on the back before sending in the mail. The leader must bring cash to the county extension office for depositing and the county office will deposit the dollars for you. The office should provide you a receipt. One other option is for a leader to write a personal check for the amount of the cash and then the entire deposit can be made via the mail. Your County office can provide you with a stamp for endorsing, if you expense a high number of checks on a regular basis.

- **Dues if collected** – treated the same as fundraisers.

- **Activities/Events that Charge a Fee** – At the event, two people must count the money separately to be sure the income received matches. This money should then go into an envelope with that dollar amount listed on the outside and the two people sign their names over the seal. The money must be deposited within three days of the event occurring. Follow the same procedures outlined for fundraisers: If all checks, the income can be mailed using the deposit slips provided and the envelopes or, leaders need to bring it to an Extension office for depositing.

- **Donations** – If a club receives a monetary donation from a business or individual, it should be made payable to UVM Foundation or University of Vermont Foundation with any accompanying information that it’s specifically for a given club (could be indicated in the memo line or through a letter or other document). Ideally, the form found at this link [http://www.uvm.edu/extension/youth/pdfs/gift-and-pledge-form-2012.pdf](http://www.uvm.edu/extension/youth/pdfs/gift-and-pledge-form-2012.pdf) is filled out and sent in with the gift. Donations can be sent to your County office or, mailed to the University of Vermont Foundation, 411 Main St., Burlington, VT 05401 with the accompanying information. For in-kind donations where a donor wants a tax receipt, please use the form found at the link provided and send in the form. Use of property at no charge is not tax deductible. Please note that gifts are subject to a 5% administrative fee. It is recommended that clubs write handwritten thank you notes to the donor though official receipting will be handled by the UVM Foundation. Additional information can be found here [http://www.uvm.edu/policies/advance/gifts.pdf](http://www.uvm.edu/policies/advance/gifts.pdf).

- **Sponsorships** – clubs may accept sponsorships as income for an event. The difference between sponsorship and a gift comes down to advertising. If the sponsor is getting some sort of advertising for a service they provide, then the dollars are treated as straight income and can be deposited into the club account. If however, the sponsor is being listed generally (not specifically advertising its goods or services), then we could treat the dollars as a gift which gets funneled to the UVM Foundation and treated as a donation.

- **Grants** – If a club wishes to write a grant, please be in touch early with your County 4-H Educator. Depending upon the reporting requirements, the grant application may need to be routed through UVM protocols before submission.
Directions for Expenses

If a credit card can be accepted, the bank cards should be used. All purchases must be tax free. If a leader buys something and there’s tax charged, the leader must either get the tax reversed or reimburse that amount to UVM. A copy of the tax exempt form can be found at this link:

http://www.uvm.edu/~cntrllrs/taxadmin/exemption_forms/Vermont.pdf

Please note that the US bank cards can take a single charge up to $2500. If you anticipate needing to spend more than $2500 at a given time, please reach out to your 4-H Educator ahead of time to talk through various solutions.

If you are making a purchase online, and the site asks for the billing address, please first try the following: 23 Mansfield Ave., Burlington, VT 05401. If that doesn’t work, then try this: 19 Roosevelt Highway, Colchester, VT 05446.

- **Day to day supplies and other small needs** – If the store accepts credit cards, use the card and remember to indicate the purchase is tax exempt. Exclusive use of debit cards is recommended to buy supplies. Original receipts must be submitted to the county 4-H Educator for review monthly; this includes store receipts as well as ATM slips. Please write down what the items were used for or programming intention. For example, a receipt that includes food items and packaging items might indicate these supplies were used for a cooking project or for a community service activity. Please also ensure when mailing receipts that either the account number or club name is included. If the store does not accept as credit card, you may withdraw cash from an ATM. If cash is used, any remaining cash must be provided along with receipts to account for the total withdrawal. For example, $20 is taken out at the ATM and only $15 is spent at the store. The leader must furnish the receipt for $15 as well as the $5 cash/check to match up to $20. As a last option, spending your personal dollars and being reimbursed will work but remember to indicate your purchase is tax exempt. Failure to provide receipts or provide receipts in a timely fashion may result in debit card being rejected or, clubs losing debit card privileges. Receipts can be submitted electronically via email.

- **Scholarships/Awards**—Clubs may award scholarships or other gifts to members or leaders and can do so in a variety of ways. Scholarships to internal events like Teen Congress can be done by sending an email to your County Educator indicating who is receiving the money and how much, at least three weeks prior to registration deadline. Scholarships to outside events or payable directly to an individual can be done via check requests. Leaders must provide the recipient’s name, mailing information, social security number, amount of scholarship and reason/explanation for check at least 3 weeks prior to the check being needed. Another option is to purchase a gift card; if a gift card or certificate is provided, then acknowledgement by the recipient is needed to accompany the receipts (a signed email or handwritten letter is acceptable). If the recipient is a current UVM student, then the dollars awarded will be factored in to any financial aid, if appropriate. (gift cards are a way around this).

- **Invoices and other payments for services**—If the vendor accepts credit cards, the leader should first try and use their bank card for payment. If the vendor does not accept credit cards, then invoices and requests for payments should be sent to the County Educator who will then review and process ideally 2-3 weeks before the check is
needed. In extenuating circumstances, cash can be taken out of the ATM to pay for someone’s services, but a receipt will need to be collected with appropriate documentation. Oftentimes, a W9 form will need to be collected and we appreciate your assistance collecting this information, if necessary (http://www.uvm.edu/~procure/?Page=forms.html). Always ask your County 4-H Educator if you have questions.

- **Purchasing firearms and ammunition**—Debit cards cannot be used to purchase certain shooting sports supplies. Please be sure to check the document specific to Shooting Sports on our website for the most recent information. Leaders must plan ahead to ensure they have the supplies they need. By telling your County Educator where you typically make your purchases, we can set up an account at the store, enabling you or your designees to make purchases when you need supplies. Again, please provide at least three week to ensure needs are met. On the off chance you are out of supplies and need to make quick purchase where there is no account already set up, you may use your own money and then be reimbursed by UVM. Work with your County Educator to request reimbursement.

- **Petty cash for events**—If a leader needs petty cash for an event (bake sale, tack sale, etc...), they can either withdraw cash from the ATM or should contact the Educator 4 weeks in advance of the need.

- **Reimbursement for Expenses**—If you or another person incurs expenses made with their own money to be reimbursed by the club account, original receipts along with information such as name, address and expense justification should be provided to the County 4-H Educator. Social Security numbers are NOT required for reimbursements. Checks take about 3 weeks to be issued. Individuals can also be reimbursed via an ATM withdrawal but again, original receipts need to be sent in to the county office.

- **Tax Exemption in other States**—there are certain states where we are able to benefit from tax exemption on meals and lodging. If you plan on traveling with your club, review this link and print out any applicable forms to ensure you don’t incur tax http://www.uvm.edu/~cntrllrs/taxadmin/state_tax_exempt.htm.

- **Out of Country Expenses**—the cards only work in the United States. If you intend to travel to Canada or other international location for 4-H, please let your 4-H Educator know so we can provide a temporary country code, allowing you to use the card internationally.

- **Receipts**—Receipts for all purchases must be submitted to the 4-H Educator on a regular, monthly basis, including account number and club name. Receipts can be submitted electronically via email, using a picture from your phone or via scan. Failure to provide original receipts will result in loss of debit card use/card being denied at point of sale.

- **Reports**—Complete account statements showing income and expenses can be access via the US Bank online portal. If dollars are also in a UVM gift account, monthly reports will be provided.
Frequently Asked Questions

Income/Revenue:

1. If we put money into an endowment, can we take it out?
   a. No, once the money goes into an endowment, it stays there in perpetuity. The interest generated from the principal is available to clubs to spend or to roll back into the endowment.

2. How will we make deposits?
   a. Deposits will be handled in two manners. First, checks can be mailed to a lockbox with a unique deposit slip tied to your club. Cash must be deposited through your local Extension office and cannot be sent through the mail. Another option is for a leader to write a personal check in the amount of the cash, and then send the entire deposit through the mail, alleviating the need to go to the county office. Deposits can be taken to any Extension office; if your club is in one county but you are closer to another office, you may take your deposit to whichever office is most convenient.

3. Will clubs be able to do their own fundraising?
   a. Yes. Clubs can still fundraise through their usual channels. For fundraisers like cookie sales and bake sales, income raised is not treated as a gift but rather as straight income to be deposited. Checks must be made payable to UVM or University of Vermont.

4. What if a business or community member wants to make a gift to my club?
   a. Clubs can accept gifts. Checks will need to be made payable to UVM and in this case, sent to the county office or to the UVM Foundation at 411 Main St., Burlington, VT 05401. These gifts will go through gift records at UVM, who will also issue the donation receipt letter for tax records however it is recommended that clubs also write their own thank you letters to keep that local connection. A 5% administrative fee is charged.
   b. In-kind gifts like equipment or other non-monetary donations can also be accepted. Please see the link above under donations for the form to be filled out.
   c. A letter will be made available, upon request, through the County Educator validating 4-H Clubs as tax exempt, as part of UVM and authorizing their ability to solicit donations.

5. How do I handle income raised through events like a club horse show?
   a. Any checks should be made payable to UVM. All revenue should be counted by two different people to verify amount and the dollars should be deposited within 3 days of the event. Receipts for purchase should also be provided. Checks need to be sent to the lockbox with the deposit slip, cash turned in to the county Extension office or, converted to a check by a leader writing a personal check for the amount of the cash and then depositing all of the checks through the mail.
Expenses/Payments:

1. Is there a fee for processing checks through UVM?
   a. No, there are no fees or charges associated with processing checks. While the bank cards are associated with US Bank, any cash withdrawals from any ATM’s can be made without a fee. Please remember that ATM slips are also considered receipts and will need to be turned in as well.

2. How long will it take to request checks or petty cash?
   a. Typically, once check request forms are filled out and submitted, the turn-around time is 2-3 weeks. Petty cash will also need to be requested through your county office at least 4 weeks in advance of the event or need.

3. Will petty cash be available for fairs and other incidentals?
   a. Yes, there are 4 kinds of petty cash accounts to draw from at UVM, depending upon your needs. Clubs wishing to request those funds will need to do so through their county office at least 4 weeks ahead of their need, as it takes 2-3 weeks to process that request. Specific information around petty cash can be found at this link: [http://www.uvm.edu/~cntrlrs/?Page=Petty_Cash.html](http://www.uvm.edu/~cntrlrs/?Page=Petty_Cash.html)

4. How will clubs be able to purchase items?
   a. There will be a number of options provided that will enable clubs to continue their business. Each 4-H club will be issued one pre-paid debit card tied to their unique account. These cards can be used any place a credit card is accepted and can also be used to take out cash from ATM machines. Those making purchases do need to remember to indicate the purchase is tax exempt to ensure sales tax is not included. In addition to use of the cards, clubs can request checks made payable to individuals or to businesses for paying invoices. Please remember that a lead time of three weeks is anticipated for checks to be issued. Exclusive use of debit cards is strongly encouraged.

5. Is there a maximum single purchase transaction amount for the TD Bank debit card?
   a. According to the US bank Card user’s information, there is a single day limit of $2500 for all debit card activity (purchases, ATM withdrawals, etc). Please speak to your Educator ahead of time to learn your options if you wish to make a large purchase.

6. Can the US Bank card be used to purchase gas?
   a. Yes. Either the credit function or the debit card feature with pin should work. In addition, the receipt needs to be turned in with detail as to starting point and ending point, and explanation for the trip.

7. How do I issue scholarship requests?
   a. Let your County Educator know these details; name of recipient, mailing address, social security number or other tax id number if applicable, (needed for issuing checks) amount and purpose of award. They will in turn, process the check request through their office. Please remember that a lead time of 3 weeks is anticipated for checks to be issued. If the scholarship is awarded to a current UVM student, the dollars will be factored into any financial aid if appropriate (another work around is to purchase a gift card to amazon or other online retailer). If the scholarship is for a UVM event like Teen Congress, UVM will
move the award internally, out of the club account and into the event account, and the only information needed is name of recipient and event/dollar amount awarded.

8. My club is a shooting sports club. If I can’t buy firearms or ammo on the debit card, what’s the process for those expenses?
   a. Some supplies may be purchased on the card, others may not be purchased. Please visit our website for the updated list of instructions or ask your 4-H Educator for guidance. To purchase firearms or ammunition that cannot be placed on the card, you should let your county educator know where you typically make your purchases so we can set up an account that will enable you to walk in and get supplies whenever you need them. You can also work with your County Educator to set up a purchase requisition for a one time need or to buy from a vendor you don’t use regularly. Please plan ahead to ensure there are no delays and that needs are met (ideally, at least 4 weeks ahead of need). Last, on the off chance you need to make a purchase at a location where there is no account, you can use your own money and then be reimbursed through UVM.

9. How does a leader/parent/guardian get reimbursed for club expenses if they used their personal dollars?
   a. The leader can either work through the county office to have a check request processed by providing the receipt and contact information (no social security number is needed), reimbursing the leader/parent/guardian for that purchase, or, the cash can be taken out using the debit card, reimbursing the leader for that expense. Please keep in mind receipts will need to be provided to verify that expense and ensure that dollars can get replenished onto the card. Any VT sales tax is not reimbursable however.

10. How much money, if any, can we keep in cash for petty cash purchases?
    a. Please see question 3 about petty cash

11. How do we account for all that we spent? What do we do with the receipts?
    a. All original receipts will need to be given to the County Educator to ensure the purchases are allowable. Once the receipts are provided, the debit card will be replenished within 3-5 business days. Failure to provide original receipts may result in termination of the debit card. If the pre-paid amount on the debit card appears to be used quickly on a regular basis, a conversation with your county educator should occur and pre-paid limits can be altered based upon usage and account value.

12. If a leader pays cash to an individual for a service, like judging at a contest, how are receipts handled?
    a. That individual should write up an invoice indicating date of service, explanation of service, and cost. It is strongly encouraged however, that invoices for services are payable via check and that clubs are proactive in asking for invoices to expedite payment.

13. My club is traveling out of state. Do I need to tell anyone to be able to purchase items?
    a. The debit cards should work fine out of state. If you do encounter problems, please let your County Educator know so we can troubleshoot the issue.

14. Are social security numbers really needed for checks to be cut?
    a. If the check is to reimburse someone for an expense, no, we do not need social security numbers. If we are issuing a check because we’re paying out a gift or scholarship request, or paying someone for their
services then yes, the social security number is needed and oftentimes, a vendor W9 form is needed as well. Check with your County 4-H office.

**Policies/Concerns:**

15. Can 4-H clubs come in under the umbrella of a County Foundation once that foundation has earned its own 501(c)(3) status?
   a. No, because the county foundations do not set programmatic direction, nor do they have authority to grant use of the name and emblem. Finally, clubs in this scenario would lose UVM’s liability coverage.

16. How can we be assured that the money will not get lost in UVM’s system?
   a. Each account will have a unique account number attached to it that indicates what kind of account it is, and who it belongs to. New financial internal controls are very strict and protection is strong. 4-H Clubs should review the US Bank portal and match up against the books being kept with the club treasurer, just as you would with a regular bank. In addition, the State 4-H Foundation has relied on UVM to handle new donations for nearly a decade, without any problems or concerns.

17. Will club dollars be co-mingled with other club dollars?
   a. No, each club (and even, specific restricted gifts), will have unique accounts that tie specifically to only one club or gift account. No funds will be co-mingled.

18. What will the fiscal year be for 4-H Clubs?
   a. Club’s fiscal year will continue to operate October 1 – Sept 30 despite the University’s fiscal year falling July 1 – June 30.

19. Will 4-H Clubs need to file any forms with the IRS either now, or on a regular basis?
   a. No. The University is exempt from this requirement as a governmental entity.
   b. Extension will be obligated to report to Controller’s Office/Tax Administration if there was any Unrelated Business Taxable Income generated by the clubs and affiliates for the fiscal year-end; if so, revenues and expenses will need to be summarized by August 15th following fiscal year-end. Accordingly, clubs and affiliates will need to report such activity to UVM Extension. Unrelated Business Tax Income is defined as follows:
      i. UVM is exempt from federal income taxation as a 501(c)(3) tax-exempt organization; however, the university is required to pay federal income tax on net income from activities that are unrelated to the three key components of the tax-exempt mission of the university: teaching, research, and public service. Unrelated Business Income Tax (UBIT) is the federal income tax imposed on the Unrelated Business Income (UBI) generated by tax-exempt organizations.

      **Unrelated Business Income** consists of income the University generates from activities that are not related to its tax-exempt activities. Income is considered to be “unrelated” if all of the conditions listed below are met:
      1. The activity is conducted as a trade or business;
2. The activity is regularly carried out, and;
3. The activity is not substantially related to the exempt mission of the university.

A University protocol operationalizing Unrelated Business Income identification and reporting is forthcoming and will be administered by the Vice President for Finance and Administration. Clubs and foundations under the University’s control (through Extension Services) will be subject to the provisions therein, as well as any other applicable University policy.

20. Will dollars turned over to UVM generate interest?
   a. Dollars less than $100,000 will be placed into club accounts. These accounts do not earn interest but again, there are also no charges or fees applied to these accounts.

21. Will the University have any increased scrutiny over how the club chooses to allocate its funds?
   a. This is no different than the current method. UVM and the 4-H program does not discriminate and adheres to laws set forth under equal opportunity and ADA. The club will still be able to choose how it allocates its funds so long as the funds are used in accordance with the guidelines set forth by both 4-H through the use of name and emblem, as well as any applicable laws as previously mentioned. Purchases will need to have a clear purpose and there are some restrictions such as not using club funds for purchase of alcohol, personal items, fire arms/ammo (though there’s another procedure for this purchase) and other expenses that cannot be tied to 4-H club educational programming.

22. Since we won’t have a checkbook, how do we get records of purchases or other expenses?
   a. It’s recommended to make copies of receipts and invoices before turning in the originals to your county office. In addition, leaders can download transaction reports directly from US Bank.

23. Can we view our accounts online?
   a. As previously mentioned, you can download transaction reports from US Bank. Only funds placed in a UVM Foundation gift account cannot be viewed online and instead, a monthly report will be provided.

24. Will clubs gain access to other UVM services?
   a. Other than making purchases tax free within Vermont for club purposes, no additional services will be provided, besides the existing insurance extended to 4-H clubs and activities (liability, etc..) and, if requested through the county office, use of buildings and meeting rooms.

25. Will depositing cash into my own account in order to write checks back to UVM cause any concerns with the IRS?
   a. It is recommended you speak to your tax professional to find out the answers as it relates to your specific financial situation.

---

Questions Mostly Pertinent to Foundations and Committees

Q - What type of financial statement will be required for Foundations pursuing 501c3? Is a quickbooks print out acceptable? Are there guidelines?
No, a quickbooks printout will not be sufficient. UVM will need financial statements prepared in accordance with FASB standards. Most likely a compilation or review by a third party accounting firm will be necessary. If the values in the 4H Foundations statements reach the level that make them material to UVM's financial statements then an audit would also be required.

Q - Is Directors and Officers insurance required if the Foundation comes in under UVM's tax shelter?

If the Foundation is operated as an educational activity of the University/Extension, UVM insurance will apply.

Q - Are there any restrictions around where Foundations could direct their funds, either as a 50c13 or as an entity of UVM? Of course, per the MOU, all funds need to support 4-H educational programs and related purposes, plus reasonable operating expenses. Anything other than that?

The restrictions you've stated are correct, in addition to further 4H national guidance on the subject, so long as appropriate accounting is done. All payments, both incoming and outgoing, will be subject to UVM procedures and policies if part of UVM. In terms of directing cash or investments, these funds become part of UVM's pool of funds and the 4H Foundation would relinquish any rights to direct them (how to invest them). For example, 4H endowments would become part of the UVM consolidated endowment pool. 4H Foundation cash would become part of UVM cash and would be managed by central administration.

Q – How can we pay premiums for fairs and field days through UVM?

The ideal scenario is to have the Fair handle it, and provide the fair any additional dollars they need. If this is not possible, then you may still hand out cash however, each recipient of dollars needs to fill out a W-9 form, which will be submitted to UVM for record keeping, to match up with the dollars expended. In addition, a log should be kept and submitted that lists the recipient, the amount received, date, and a signature indicating that the recipient received the funds.