



4-H 

WASHINGTON STATE UNIVERSITY
EXTENSION

4-H Club Financials

Auditing your Club's Financial Practices and Current Financial Status

Purpose of a 4-H Annual Financial Report

Financial audits of all Washington 4-H Clubs and affiliated groups (i.e. leader's councils, horse councils, etc.) are required on a yearly basis. Any funds that are raised in the name of the 4-H clover must be used for 4-H education purposes only. An audit of these funds provides the financial documentation and accountability required by federal and state regulations to ensure all 4-H clubs and groups are raising and spending 4-H funds appropriately and legally.

Audit Process

Each 4-H Club will select an audit committee that includes youth and adults that have not been involved in the financial transactions of the club. There are many options for completing the audit. In some counties, clubs trade their financial records with another club; each club reviews and audits the treasury of the other club. Some clubs have recruited bookkeeping and accountant professionals to audit their club's records. All the members of the club may review the records during a special club meeting. To facilitate the audit of your club's treasury, submit all financial records (treasurer records, bank statements, ledgers, spreadsheets, receipts, invoices, etc.) to the committee who will be conducting the audit. The audit committee will review the records and complete an audit report that includes findings of the audit (do the balances of the records and bank statements match, have the funds been spent in the way the club intended, etc.?) The audit report will be submitted to the County Extension Office with other documents by December 1 of each 4-H year.

Checklist

The audit committee will be checking for the following:

- All funds are kept in an approved financial institution and there are two authorized signers on each account.
- Each club has an EIN.
- Bank statements are reconciled monthly with the club ledger.
- Club ledger entries are complete and up-to-date.
- All voided checks are noted in the club ledger.
- Receipts are written for all funds collected and every expense has a receipt associated with it.
- Deposits equal the total of all funds received as recorded in the ledgers, club monthly treasurer reports, and receipt book.
- Any equipment purchased during the year is included on the Property Inventory List.
- The treasurer's total balance at the beginning of the year, plus all funds received, minus all expenditures, equals the treasurer's total current balance for the year.
- Any errors in addition or subtraction have been corrected on the Annual Financial Report and in the financial records
- The beginning balance on the Annual Financial Report matches the previous year's ending balance.
- The ending balance on the Annual Financial Report matches the ending balance on the bank statement and other records.
- If there are excess funds held by the 4-H club or group, a form requesting permission to maintain a balance and an approved plan is in place to spend down the funds.