



MICHIGAN 4-H YOUTH DEVELOPMENT CLUB/GROUP USE OF DEBIT CARDS

The oversight and management of public funds generated in the name of 4-H is of utmost importance. Michigan 4-H Youth Development recommends 4-H club and committees use the best practice of banking with checks. This allows for clear and transparent documentation, as well as the accounting procedure of requiring two signatories for all purchases and expenditures. Because it is recognized that the sole reliance on checks can present unintended barriers and create hardships for making purchases, Michigan 4-H Youth Development will allow the utilization of debit cards for a 4-H club or committee that chooses to assume the risk of doing so and adheres to the following guidelines:

1. Each club or committee may have no more than two (2) debit cards.
2. Each debit card must be issued in the name of the club or committee and an active gold-level volunteer who is listed as a signatory on the club or committee's bank account.
3. The card(s) are to be retained and used solely by the active gold-level volunteers to which they were issued and only for purchases made in accordance with the approved club/committee budget.
4. All purchases/expenses should be approved by the club/committee and documented in minutes. There can be NO personal purchases made with the club/committee debit card.
5. Original receipts must be kept for all purchases.
6. There are to be NO cash advances, including automated teller machine (ATM) withdrawals or cash back withdrawals with purchases.
7. If cash is needed for an event, it must be discussed at a meeting and documented in the meeting minutes. All cash withdrawals MUST be made at the bank with a teller ONLY. This can only be done by the club/committee administrative leader or adult treasurer.
8. The club/committee administrative leader or adult treasurer will need to regularly review bank accounts to monitor transactions. If it appears that a debit card has been compromised, the administrative leader or treasurer must contact the bank immediately to report the incident and immediately notify the county 4-H staff. Debit cards are not covered by the same type of insurance as credit cards. Therefore, it may take up to 90 days to recoup funds. It is possible that funds may be permanently lost if recovery is not possible.
9. It is a privilege for 4-H clubs and committees to have access to a debit card. If it is found to be misused, the ability to retain a debit card may be removed.

It is the responsibility of the administrative leader(s) and adult treasurer to develop a plan for keeping track of purchases, receipts, and bank statements related to club finances from the use of a debit card, just as there is for purchases made with checks. This plan should be documented in writing and included with the Annual Financial Summary Report that is submitted once per year.