



Volunteer Learning Module: Handling 4-H Money

Overview

Many 4-H groups have group accounts with funds to support the educational mission of the 4-H program. Funds may come from a variety of sources and what those sources are influences how the funds can be used. 4-H groups need to record and track the source of funds to ensure the funds are used appropriately in consideration of the source.

Section 1: Sources of Income – Group Dues/Grants

The source of the funds affects the usage of the money.

Group Dues:

- › Are optional- your 4-H group does not need to collect individual dues unless a group decision is made
- › Should be mutually agreed upon by the club membership
- › All decisions around charging group dues and how they will be used should be documented in the group meeting minutes and as part of the group budget
- › Group dues should be listed in the club by-laws

Grants:

- › 4-H Groups may only apply for grants using the MSU Contracts & Grants systems and 4-H volunteers must contact a 4-H staff to move forward with applying for a grant in the name of a 4-H group. Please give as much lead time as possible to go through the process.

Resources:

- **How Does the Source of 4-H Funds Affect Using the Funds in Your 4-H Group?:**
https://www.canr.msu.edu/news/how_does_the_source_of_4_h_funds_affect_using_the_funds_in_your_4_h_group
- **Five Things to Consider Before Spending 4-H Group Money:**
https://www.canr.msu.edu/news/five_things_to_consider_before_spending_4_h_group_money
- **4-H Financial Manual for Treasurers:**
https://www.canr.msu.edu/resources/financial_manual_for_4_h_treasurers
- **4-H Financial Manual for Volunteers:**
https://www.canr.msu.edu/resources/financial_manual_for_4_h_volunteers

To contact an expert in your area, visit extension.msu.edu/experts or call 888-MSUE4MI (888-678-3464)

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Section 2: Sources of Funds – Funds Group Fundraising

Fundraising can be a double win for 4-H groups and their members – youth will learn valuable life skills and the group will add resources to its treasury for future educational opportunities. However, fundraising should not be the main focus of group activities, nor should it exclude any individual from participation. It should be done for the good of the total group and it should be consistent with Michigan 4-H fundraising policies. An educational component needs to be part of all fundraising activities and a group needs to be able to clearly state the educational value and purpose of the fundraiser.

Group must complete and turn in the County 4-H Fundraiser Application whenever planning a fundraiser. The form needs to be approved by 4-H Staff at least 10 business days before any fundraising activities can be promoted or held. Once the fundraiser is complete, the group must turn in the County 4-H Fundraiser Report Form to the local MSU Extension office within 10 business days of the fundraiser.

Resources:

- **Volunteer Role in Fundraising:** <https://www.youtube.com/watch?v=HK7tt1H4J9Y>
- **Do's and Don'ts of Fundraising:** <https://www.youtube.com/watch?v=SDwzGiCd170>
- **County 4-H Fundraiser Application:** [https://www.canr.msu.edu/4h/uploads/files/County 4-H Fund-Raiser Application.pdf](https://www.canr.msu.edu/4h/uploads/files/County_4-H_Fund-Raiser_Application.pdf)
- **County 4-H Fundraising Report Form:** [https://www.canr.msu.edu/4h/uploads/files/County 4-H Fund-Raising Report Form.pdf](https://www.canr.msu.edu/4h/uploads/files/County_4-H_Fund-Raising_Report_Form.pdf)
- **Michigan 4-H Fundraising Flyer Checklist:** https://www.canr.msu.edu/resources/michigan_4_h_fundraiser_flyer_checklist

Section 3: Sources of Funds – Cash & Noncash Donations

The usage of donated money depends on whether or not the donor placed any restrictions on the gift. The Appropriate Use of Funds table shown in the Financial Manual for 4-H Volunteers clarifies how restricted funds can or cannot be used.

4-H groups should not feel compelled to accept donations of cash or noncash items if the gift does not fit the group's goals or if the leaders know they cannot meet the donor's expectations. If the donor asks that the funds be restricted (or used for a specific purpose or program), it is expected that the 4-H group will track those funds separately and use them only as specified. If the donor only wants one youth in the group to receive their gift, it is not appropriate to accept through the 4-H club.

The group's treasurer should acknowledge all cash and noncash donations by issuing a prenumbered, written receipt and following up with a thank you card within 10 business days.

Resources:

- **The Seven Steps to a Great Thank-You Note:** [https://www.canr.msu.edu/resources/the seven steps to a great thank you note](https://www.canr.msu.edu/resources/the_seven_steps_to_a_great_thank_you_note)
- **Thank-You Note Fun with Youth:** [https://www.canr.msu.edu/news/thank you note fun with youth](https://www.canr.msu.edu/news/thank_you_note_fun_with_youth)

Section 4: Acknowledging & Reporting Income

Financial management practices for 4-H volunteers and treasurers exist to help protect the reputation of 4-H members, volunteers, staff, and the organization as a whole.

To contact an expert in your area, visit extension.msu.edu/experts or call 888-MSUE4MI (888-678-3464)

Section 5: Appropriate use of Funds

All money raised using the 4-H name and emblem must be used only for educational activities for 4-H members. Because these funds are publicly accountable, they must not be used in any way to enrich individuals. This means that money may not be given directly to individual group members or others, but must be used to pay for educational programs, activities, workshops or 4-H group supplies.

It is strongly recommended that 4-H groups have a written procedure for using funds. Examples of this may include the group's bylaws, budget and/or meeting minutes.

Resources:

- **Pages 44-46 of the Financial Manual for 4-H Volunteers:**
https://www.canr.msu.edu/resources/financial_manual_for_4_h_volunteers
- **Pages 46-48 of the Financial Manual for 4-H Treasurers:**
https://www.canr.msu.edu/resources/financial_manual_for_4_h_treasurers