4-H Club/Affiliate Audit Procedures

Because 4-H clubs are nonprofit and held to the standards of the Internal Revenue Service 501c3 determination, it is important that the finances for each club and group go through an audit. This practice of auditing protects the club or affiliate and the treasurer themselves.

Key Definitions

1. **4-H Club:** a group of 4-H members with an approved volunteer, EIN, checking account, etc. This group should conduct a yearly financial review and may use internal or external audits (or emergency audit when needed). It is recommended to have an annual or yearly financial review, internal audit once every three years, and an external audit conducted at least once every six years.
2. **Affiliate:** a non-4-H club that is affiliated with Ohio 4-H such as a 4-H council, county wide committee, etc. This group should conduct an internal audit annually and external audit (or emergency audit when needed) every three years or if there is a change in treasurer. Emergency audits should be conducted when needed.
3. **Yearly Financial Review:** An annual review of 4-H club / affiliate finances. A Financial Review Committee should be formed to conduct a review of club financial transactions and records for the year. The committee should consist of two adults (volunteers or parents) and two members. Other individuals to involve may include the president or another officer. No one on the committee should be from the treasurer's family or be a signer on the account. Refer to the *Ohio 4-H Treasurer's Record Book* for more information.
4. **Audit:** conducted by at least four individuals identified by the 4-H professional to serve as an audit standing committee. Members should be unrelated to those handling the funds and/or serving as a signer on the account being audited. These may include local OSU Extension staff, 4-H volunteers, or qualified community partners including a 4-H volunteer from another club, or someone recommended by the county 4-H professional. While the treasurer should not be a member of the audit committee, they should be present during the review to answer any questions or provide documentation. A Certified Public Accountant could be used in place of this four-person committee. The audit committee should review records since the last audit (3 years). A The number of club and affiliate audits conducted each year shall be at the discretion of the county 4-H professional. It is recommended that 1/3 of the clubs/affiliates be audited annually.
5. **Emergency Club/Affiliate Audits:** conducted anytime there is a concern of mishandled funds. Emergency Audits should be conducted by the county 4-H professional under direction of State 4-H Staff and may include additional members at the discretion of 4-H staff.

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Audit Steps

The following steps should be taken when conducting an audit. Follow the *Ohio 4-H Clubs and Committees Annual Financial Review & Audit* form when completing the audit to indicate when items have been reviewed and findings or recommendations for future years.

1. Clubs/affiliates shall submit all financial records (check register, cancelled check images, bank statements, written record (ledger, spreadsheet, or report), purchase receipts, deposit slip receipts, cash income receipts, treasurer's book, club minutes) and the Yearly Financial Summary for the last three years. The external audit committee shall review records for the last 3 years.
    - The county Extension Office may provide copies and documentation as needed.
2. Review the checklist in the *Ohio 4-H Clubs and Committees Annual Financial Review & Audit* form and indicate if the item is correct or not.
3. Whoever conducts the audit should complete the *Ohio 4-H Clubs and Committees Annual Financial Review & Audit* form, including completed checklist, signatures, date of completion, comments or recommendations. After the form is completed, make sure to:
    - Report to the membership of the 4-H club/affiliate the state of the past year's records.
    - Include a copy with the treasurer's book.
    - Submit the form to the county extension office.

Reference:
UW-Madison Extension (2021) *4-H Club, Group, or Committee Audit Checklist*
https://4h.extension.wisc.edu/files/2021/06/Fillable-Audit-Checklist.pdf

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Ohio 4-H Clubs and Committees Financial Summary & Audit

Complete and Return a Copy to the Licking County 4-H Office by October 1st.

Maintain A Copy with Your 4-H Club or Committee Financial Records!

The following form should be completed when conducting an audit. Make sure to follow the Audit Steps outlined in the *4-H Club/Affiliate Audit Procedures* guidelines.

Name of 4-H Club or Committee: _____

EIN Number: _____ Date of Review/Audit: _____

Name(s) of Volunteer(s) associated with the group:

1._____ 2. _____

3._____ 4. _____

Name of Club/Affiliate Treasurer:

_____

Accounts Reviewed:

Type of Account	Bank/Financial Institution	Bank Address	Balance as of 12/31	Signers on the Account (minimum of 2)	Name of who receives bank statements or has on-line view only access:
Checking					
Savings *(would be an option for affiliates)*					
Other *(would be an option for affiliates)*					

Reference:

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Checklist of items to review: The purpose of this checklist is to assist the 4-H youth treasurer, the adult volunteer working with the 4-H club or group finances and the auditors in their review. All items that have been marked, 'no' need to be corrected and explained in the comments or recommendations section.

YES	NO	
❒	❒	All 4-H accounts and funds are in an approved FDIC financial institution.
❒	❒	The treasurer has kept a separate written record of the group's income and expenses (a ledger, spreadsheet, or report).
❒	❒	Donor records match recorded receipts. (If not, document any differences.)
❒	❒	Deposits are one week or less for the dates of income receipts to dates of deposits. (Document any extended delays of more than a week.)
❒	❒	There are not any checks that are outstanding. If there are outstanding checks, list the number and date of issue here:
❒	❒	All checks written, including voided checks, are accounted for in the checkbook written record (ledger, spreadsheet, or report).
❒	❒	When reviewing the numerical sequence of canceled and unused checks, all are accounted for. **If not, list any missing checks here**:
❒	❒	Documentation (invoice, cash register receipt, request for payment form) matches to each cancelled or electronic check images.
❒	❒	All receipts/expenditures match bank statements and are recorded on the written record (ledger, spreadsheet, or report).
❒	❒	When comparing receipts/expenditures to budget, the level of activity appears to within the approved budget or included as approved in the meeting minutes.
❒	❒	Bank statements are reconciled with the checkbook each month and the checkbook is balanced.
❒	❒	Bank statements match all financial record balances (in the treasurer's reports, ledgers, spreadsheets, or report, etc.).
❒	❒	When viewing a select sample of 25% of expenditures, the expenditures were authorized according to the minutes.
❒	❒	The beginning balance on the Annual Financial Summary matches the previous year's ending balance (as of December 31) on the bank statement and/or other records.
❒	❒	The ending balance on the Annual Financial Summary matches the ending balance of the written record (ledger, spreadsheet, or report).
❒	❒	Any errors in addition or subtraction have been corrected on the Annual Financial Summary and in the financial records.
❒	❒	If funds being carried forward into the new program year are greater than the club's/affiliate's average annual expenses, an approved (no more than 5-year) plan, (by the county 4-H professional) is in place to spend down the funds.
❒	❒	Those completing the audit are at least four persons not related to the treasurer or persons on signature with the 4-H accounts.
❒	❒	For affiliates: If certificates of deposit are owned, they are still on deposit with the bank. If no longer on deposit, documentation of funds being deposited into another account (i.e. checking account, endowment, donation) is provided.

Reference:
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Provide mathematical accuracy of records:

Checking Account Balance12/31/previous year _____
\+ Receipts During current year _____
\- Expenditures During current year _____
Balance 12/31/current year _____

If there are outstanding checks or pending refunds, please include here. Specify non applicable, if not. _____

Check all that were used for this review/audit:

- ❒ Bank Statements
- ❒ Cancelled or Electronic Images of Checks
- ❒ Checkbook Registry
- ❒ Deposits
- ❒ Meeting Minutes
- ❒ Receipts
- ❒ Record of Financial Transactions/Ledger/Computer Accounting Record/Written Report
- ❒ Treasurer's Reports
- ❒ Other _____

Please list any comments or recommendations. Specify any discrepancies and/or recommendations for how to better keep track of financial records in the future. If an item received a 'no' on the checklist, specify how to correct this in the future. Attach additional pages as needed.

_____

_____

_____

_____

_____

Date of Audit: _____

Names and Signatures of Audit and Review Committee	
Print Name	**Signature**

Reference:
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