

NJ 4-H Leader Training Series (Fact Sheet)
GUIDELINES FOR 4-H FUNDRAISING

How 4-H Clubs are Authorized to Raise Funds

Before attempting any fundraising or dues collection, club leaders must obtain an official 4-H treasury bank account. Any chartered 4-H club or affiliated (advisory) group is eligible to establish a bank account and raise funds using the 4-H Name and Emblem. First, the club or group leader(s) must apply for an IRS Employee Identification Number (EIN) under Rutgers, The State University of New Jersey. The county 4-H office will assist you in this process. The leader(s) must agree to follow the IRS filing requirement as well as the NJ 4-H policy requiring submission of the *Annual Financial Review*. Once the EIN is received, the leader(s) open a 4-H bank account using the EIN. When this process is completed, the club or group will be authorized by county 4-H staff to collect dues, raise funds, and receive tax deductible donations and grants from private and corporate donors under the 4-H nonprofit status. Your club may not engage in fundraising or collection of dues until your club obtains authorization.

4-H clubs must submit a 4-H Club Fundraising Proposal to the county office prior to any fundraising event. Clubs should also complete the 4-H Fundraising Worksheet to make sure all guidelines are followed for holding a fundraiser. Both of the documents can be found in the NJ 4-H Club Treasurer's Record Book.

When is Fundraising Appropriate?

The purpose of fundraising is to support 4-H club goals and help all members participate in events that might not be affordable otherwise. In addition, it can be an effective way to increase teamwork, leadership skills, and financial literacy. Members should discuss and decide all fundraising issues under the guidance of club leaders. Since member's parents are often needed to support the effort, it may be a good idea to include them in the discussion. Funds should be targeted for a specific goal and expended in the same 4-H year. Your county 4-H office can make an exception to this policy if your club has a specific, long term goal. Raising money should not be the club's primary activity and is not a requirement for club success.

County-wide Fundraising

Many 4-H programs have county-wide fundraisers to benefit the entire 4-H program in the county. Some counties need such fundraisers to maintain a 4-H center, fairgrounds, provide awards or special programs. Your club should fully support any county-wide fundraising efforts. Many county-wide fundraisers often share a portion of the profits with each club that participates. Communicate with the county 4-H staff regarding all fundraising plans to avoid duplication.

Setting Goals

Fundraising is a means to reach a specific goal. Goals might include a field trip, a recognition event, or a community service project. Whatever the goals for the fundraising event, the members should approve the goal and the event to be held. All members should work to carry out the club's goals with the leaders' guidance.

Start Small

Make sure your club fundraiser provides a learning experience and can be easily accomplished by the club. Start small and build on small successes. Fundraising can be a good way for members to learn organization, business and marketing skills. It can also be fun. Consider whether to do fundraising as individuals (such as selling calendars to friends and family) or as a total club (bake sale, car wash, etc.). Select a fundraiser that doesn't require a great investment in advance. The less money your club must invest, the less money it can lose if the fundraiser doesn't meet expectations.

Safety

To ensure safety for 4-H'ers and leaders, no one should solicit door-to-door. Any fundraising activities should be under direct adult supervision.

Legal Issues

Make sure that fundraising activities meet the legal requirements of the local municipality, county, and state. Certain fundraisers such as raffles, games of chance, yard sales, etc. may require permits or may not be legal in certain municipalities. Before you spend too much time planning an event, you should check with the municipal office of the location where the fundraiser is to be held to make sure you are following the proper procedures.

Informing the County 4-H Office

Using the official *4-H Name and Emblem* is a privilege reserved for chartered 4-H clubs and affiliated groups such as advisory councils or leaders' associations. 4-H clubs must submit a *Fundraising Worksheet* to inform the county 4-H office of fundraising plans in advance to avoid conflict with other 4-H fundraising efforts and program goals. If the 4-H staff determines there is a conflict with other efforts or program goals, or is not informed of the fundraising plans, he or she may choose to deny support or permission for the fundraiser. The county 4-H staff is available to help with ideas as well as to advertise the event.

Handling the Funds

All funds raised become part of the club's treasury and should be handled in accordance with the 4-H Policy - TREASURIES AND FUNDRAISING OF 4-H CLUBS AND 4-H AFFILIATED GROUPS. It is important to keep accurate records of the funds raised and expended and provide an *Annual Financial Review* to the county 4-H office. Accurate records and notes will also help the club evaluate the success of the fundraiser and help in planning future events. Use the NJ 4-H publication: *New Jersey 4-H Club Treasurer's Record Book*. It is the official club treasury record.

Fundraising Success

Your club's fundraising effort can be successful if all members work together toward common, agreed upon goals. Members will feel successful if they take an active part in the entire process of planning, implementing, and evaluating the fundraiser. Transparent reports on the amounts raised and expended should be available to all members. Be realistic, have a plan for the money raised, and have fun!

If Your Club Disbands

If your club disbands, the leader(s) must immediately notify the county 4-H staff. All assets shall be assigned to the county 4-H program through the appropriate county 4-H advisory group, designated by the club and approved by county 4-H staff. Under no circumstances are 4-H funds or property transferred, divided, or distributed among individual members, parents, or adult leaders. This requirement is described in the club or group by-laws.

Reference: Leader Training Series <http://nj4h.rutgers.edu/volunteering/lts/>

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