

## FAQs- End-of-year Financial Reporting for Affiliated Groups

Annual Group Property/Inventory Report: Lists the items owned by the club/group and includes inventory, equipment, and other items valued at \$500 or more **AND** any and all firearms (regardless of value).

Assets: Items the club/group owns, such as cash and bank accounts and inventory; office equipment; firearms, other equipment; trailers; etc., valued at \$500 or more.

### Financial Reporting Dates:

4-H & Master Gardeners

January 1 – December 31st

Liabilities: Items the club/group still owes and not expenses paid during the 12-month reporting period. Liabilities may include accounts payable (products or services received but not yet paid), installment payments on equipment, and any accrued expenses to be paid at a later date.

Net Assets – Beginning: The total value of the Net Assets at the beginning of the 12-month reporting period. For a new club/group, the amount is zero since the club/group did not have any assets prior to forming.

For an existing club include the beginning checking account balance (reconciled) on the first day of the financial reporting period; plus any cash on hand on that date; plus any assets valued at \$500 or more which were purchased or acquired before the first day of the financial reporting period.

Net Assets: The total worth of all existing assets minus any liabilities that the club/group holds. In other words, net assets consist of the difference between what the club/group owns and what it owes on the last day of the financial reporting period.

Peer Review Committee: The Peer Review Committee must be composed of at least two members. The purpose is to review the accounting records and financial statements prepared by the club/group treasurer for accuracy and reasonableness. Committee members must not include the treasurer; anyone related to the treasurer or any individual who signs checks, approves expenditures, is involved in any way in the financial affairs of the club/group, or any Extension employee.

See the *Financial Guidelines for 4-Hand Master Gardener Groups* for the year-end procedures for the Peer Review Committee.

Peer Review Cover Sheet and Report: The Cover Sheet includes all pertinent information regarding the private bank account. The IRS tax ID number (EIN) associated with the bank account and the audit date must be included on the Cover Sheet.

The Peer Review Report indicates what items were reviewed by the Committee and their findings. Items reviewed must be checked at the top of the report or the review is invalid.

