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

<u>Annual Group Property/Inventory Report</u>: 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).

<u>Assets</u>: 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

<u>Liabilities</u>: 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.

<u>Net Assets – Beginning</u>: 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.

<u>Net Assets:</u> 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.

<u>Peer Review Committee</u>: 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.

<u>Peer Review Cover Sheet and Report</u>: 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.

Reporting Due Dates: Each club/group is required to complete, sign, and date the annual financial reports within a reasonable amount of time after the appropriate year-end date. The reports and a copy of the last bank statement for the private bank account, if applicable, are sent to the Staff Chair at the County Extension Office for review. The Staff Chair will review, and once approved, will sign the reports and forward them on to the LRSO within 90 days from the end date of the 12-month financial reporting period.

4-H & Master Gardeners – End-of-year financial reports are due by March 31st.

<u>Statement of Income and Expenses</u>: Provides the club's/group's net increase or net loss information. The Statement of Income and Expenses reports income received and expenses paid and determines what is called the "bottom line" or the net increase or net loss for that 12-month period.

<u>Statement of Financial Position</u>: Provides information about the overall assets, liabilities, and the financial position of the club for the 12-month reporting period. The Statement of Financial Position is a "**snapshot**" of the club's/group's financial position at a specific point in time, i.e., on the last day of the 12-month period.

4-H & Master Gardeners

December 31st

<u>Value of Equipment/Inventory Items</u>: The value of equipment and inventory items is the purchase price or acquired value. Do not depreciate the value on the Annual Group Property/Inventory Report.

Where to Send Completed Financial Reports:

Clubs/Groups send to: Staff Chair at the County Extension Office

Staff Chairs send to: Sam Boyster, Chief Operating Officer

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