

Financial Guidelines

For 4-H Clubs & Master Gardener Groups



Revised May 2022

Master Gardener groups and 4-H clubs are arms of the University of Arkansas System Division of Agriculture – Cooperative Extension Service that assist in the delivery of Extension programs (UADA-CES or Extension). As such, Extension is responsible for how club and group activities are conducted and reported. The primary purpose of this document is to provide guidelines for county Extension personnel to use when handling financial and compliance issues related to 4-H clubs and Master Gardener groups. This document carries the same weight as UADA-CES policies and, therefore, failure to comply can result in disciplinary action up to and including termination.

The Arkansas Extension Homemakers Council (AEHC), the 4-H Foundation, and any other separately incorporated organization are not covered by these guidelines.

The University of Arkansas System Division of Agriculture offers all its Extension and Research programs and services to all eligible persons regardless of race, color, sex, gender identity, sexual orientation, national origin, religion, age, disability, marital, or veteran status, genetic information, or any other legally protected status, and is an Affirmative Action/Equal Opportunity Employer.

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Background

The University of Arkansas System Division of Agriculture – Cooperative Extension Service (hereinafter referred to as UADA-CES) has a responsibility to conduct its programs in such a way as to maintain the public trust and safeguard the positive image of the organization. Because so many UACES programs are delivered in conjunction with local volunteers, it is imperative that all parties understand their roles and responsibilities regarding UADA-CES activities.

This document serves to clarify and communicate the relationship between UADA-CES and Master Gardener groups, 4-H clubs, and other affiliated organizations that deliver and/or support its programs. Funds generated through UADA-CES programs must be deposited in and expended through UADA-CES accounts. Only funds from gifts and donations may be deposited in UADA-CES-related foundations. UADA-CES administration wants to ensure that programs and related funds are handled consistently by its clubs, groups and affiliated organizations throughout the state.

Groups and Affiliated Organizations

Incorporated Organizations

Affiliated organizations that have incorporated with the Arkansas Secretary of State's Office and/or have obtained separate 501(c)(3) status from the Internal Revenue Service are legal entities, separate and distinct from UADA-CES. These entities have their own management and operating guidelines. However, because these entities exist to support UADA-CES programs, they are allowed to use certain UADA-CES program material and logos if a Memorandum of Understanding is in effect and related UADA-CES guidelines are followed. Affiliated organizations must submit annual reports to UADA-CES, but otherwise operate independently throughout the year. Extension Homemakers, the Arkansas 4-H Foundation, county-based 4-H foundations, the Arkansas 4-H Alumni Association, and any separately incorporated Master Gardener groups are included in this category.

Note: Whether activities of these legally separate entities are exempt from sales or income tax are questions to be addressed by each such entity. UADA-CES takes no responsibility for determining or defending such status and will not provide legal, tax, or accounting services of any kind.

Unincorporated Organizations (Clubs & Groups)

Unincorporated Master Gardener groups and 4-H clubs (hereinafter referred to solely as "groups" are arms of the UADA-CES and partners in the delivery of related programs. Therefore:

1. Group members and volunteers must follow UADA-CES guidelines as outlined in this document and elsewhere in UADA-CES policies and guidelines, including those for handling cash and expenditures.
2. Group volunteers must act in a professional manner consistent with the educational mission of the UADA-CES.

3. Group volunteers must operate in a nondiscriminatory fashion, including ensuring open access to membership and programs.
4. Group volunteers who operate a private, group bank account must provide periodic reporting to the County Extension office and ultimately the UADA-CES state office.
5. No new group bank accounts can be opened without written approval from the UADA-CES District Director and the UADA Associate Vice President for Finance and Administration.
6. Noncompliance with guidelines set forth in this document may result in the closure of the group bank account operated by the noncomplying group.

Note: Any questions or concerns regarding anything in this document should be directed to the Staff Chair or District Director. If contacted by a state or federal regulatory agency, please refer them to the Staff Chair or District Director as well.

Types of Funds

Programmatic Funds

Programmatic money is generated through efforts related to planning, supervising and conducting UADA-CES programs, including 4-H and Master Gardener programs and activities. Programs and activities in this category are often educational in nature. Revenues generated in this manner

- **Must** be deposited in a UADA-CES bank account such as the county depository account or the UADA-CES general operating bank account.
- **Must** be expended in accordance with UADA-CES policies and state laws such as purchasing and sales tax regulations.
- **Must** be managed and reported according to UADA-CES policies.

Note: Depositing federal, state, or programmatic funds in group bank accounts is strictly prohibited!

Non-programmatic Funds

Non-programmatic money is generated from activities other than those related to the planning and delivery of UADA-CES programs. Activities in this category are often purely social or fund-raising in nature. Examples include revenue donations, proceeds of fund-raising activities, or fees collected to support social activities of the group. Because these funds are generated by groups operating under the name of UADA-CES, some financial oversight by, and reporting to, UADA-CES is required. Although non-programmatic funds can always be deposited into and spent from county office accounts, non-programmatic funds:

- **May** be maintained in local group bank accounts and administered by group officers or may be deposited in the county depository account.
- **May** be deposited in a related foundation, if the funds were acquired through donations without any specific performance or reporting requirements by the donor.

Group accounts that exceed the following thresholds will be reviewed carefully by the Associate Vice

President for Finance and Administration and may require consultation with group officers.

Revenue Threshold = \$5,000 per activity and \$10,000 annually

Asset Threshold = \$5,000 cash and \$10,000 total assets

Note: All funds raised in the name of 4-H or Master Gardeners must be used only for appropriate and authorized purposes related to their respective programs.

Handling of Funds (Other than Grants)

For clarity, the following terms will be used to reference where funds are accounted for and where they are maintained for banking purposes.

Group Bank Account – Local checking account maintained by Group volunteers to manage non-programmatic funds.

County Depository Account – Local bank account maintained by UADA-CES county personnel used to deposit programmatic and non-programmatic money related to a variety of programs, activities, and groups. In Workday, county depository funds are managed with the use of the county Cost Center. If groups maintain their funds in the county depository account, in addition to the county Cost Center, a specific Worktag is used to identify that group. This allows separate tracking and reporting of funds related to each group.

Receipts & Deposits

Groups must adopt procedures for handling the collection and disbursement of non-programmatic funds. At a minimum, those procedures must include the following:

1. Group personnel should issue receipts and/or maintain a list of contributors for all non-programmatic funds collected.
2. The receipt or contributor list should identify the source and purpose of the funds, amount, date of receipt, and payment method (cash, check, money order).
 - a. *Note: The UADA-CES official receipt book cannot be used for funds to be deposited in a group account. The group should purchase, use, and account for its own receipt books.*
3. Funds should be adequately safeguarded and deposited frequently, with cash on hand kept to a minimum.
4. A [Record of Deposit](#) or similar form should be completed and match the deposit slip that is sent to the bank where the group account is maintained, along with the money to be deposited.
5. All documentation should be retained for five years after the date of the transaction. Records for group bank account transactions should be kept by the group officers and transferred to new officers as they are elected.

6. If group volunteers collect programmatic funds, the group treasurer should complete a [Record of Deposit](#) form and forward the form, money, and all documentation to the county office for deposit. The county office will issue a receipt from the official receipt book and deposit the money in the county depository account. A workday record (Cost Center & Worktag) will be established for each group that deposits funds with the county office. This will facilitate reporting that shows all receipts and disbursements.

Note: If non-programmatic funds that are to be deposited in a group bank account are collected by UADA-CES personnel, a [Record of Deposit](#) form should be completed and a copy of the form should be forwarded with the funds to the group treasurer for deposit in the group bank account.

Sample Receipts

The tables below provide examples of receipts of money and where they MUST or MAY be deposited. Programmatic receipts MUST be deposited in UADA-CES bank accounts. While non-programmatic receipts MAY be deposited in group bank accounts, they may also be deposited in UADA-CES accounts.

Table 1 - Examples of 4-H Receipts	
Programmatic – MUST be Deposited in UADA-CES Bank Accounts	Non-programmatic – MAY be Deposited in Group Bank Accounts
Gifts/Donations/Memorials if ≥\$250 or a tax receipt is requested by the donor	Gifts/Donation/Memorials if less than \$250 and no tax receipt is requested by the donor
Conference Registration Fees	Bake Sales
Seminar/Training Registration Fees	Proceeds from T-Shirt and Similar Sales
Proceeds from Raffles (because state reporting is required)	Cookbook Sales (if sold at a specific event/point in time)
Receipts from County Poultry Auctions	Proceeds from Other Fundraising Efforts
Supply Fees for 4-H Program Activities	Nominal Club Dues
	Social Activity Fees Collected

Table 2 - Examples of Master Gardener Receipts	
Programmatic – Deposited in UADA-CES Bank Accounts	Non-programmatic – MAY be Deposited in Group Bank Accounts
Gifts/Donations/Memorials if ≥\$250 or a tax receipt is requested by the donor	Gifts/Donation/Memorials if less than \$250 and no tax receipt is requested by the donor

Calendar Sales	Garden Tool Sales
Conference Registration Fees	Nominal Group Dues
Seminar/Training Registration Fees	Plant Sales (Fundraiser)
Collections to Pay for Workshop Supplies	Proceeds from Other Fundraising Efforts
Collections to Pay for Plants & Supplies for Beautification Projects	Proceeds from T-Shirt and Similar Sales
	Social Activity Fees Collected

Contact the UADA-CES Business Office for classification of activities not listed.

Refunds

If a group, foundation, or other organization is co-sponsoring an event by paying for registration fees, the money is to be deposited in the county depository account and registration fees paid by the county office. If a refund becomes necessary due to a cancellation or other approved reason per event policies, a refund can be initiated by the county office, with proper documentation. County office personnel should complete a [Refund Request Form](#) and forward it to Cash@uada.edu. The funds will be issued to the original registrant via check from the state office. No refund should be issued by the county office.

Checks & Expenditures

In general, expenditures in direct support of programs should be paid from the county office or other UADA-CES bank account. However, there are certain types of expenditures that MUST be paid from the county office or other UADA-CES bank account. These include:

1. Payment of registration fees where the county office or state office is handling the registrations.
2. Payment for the Master Gardener leadership conference.
3. Payment of college scholarships.
4. Any individually large expenditure (State procurement laws must be followed. Contact the Business Office for assistance.)
5. Any expenditure requiring an associated contract.

If it is desirable to use group funds to support program activities, the group should write a check to the county office for whatever portion of the expense the group wants to fund. Then, a payment for the entire cost of the event (or scholarship) will be made from the county account. A check may NEVER be written from the county account to a group for deposit in the group account.

Purchase & Reimbursement Procedures

If expenditures are to be paid or reimbursed from the county or state accounts, there must be sufficient funds available in the group's Workday account. Because reimbursements are limited to available funds, volunteers and UADA-CES personnel should verify the account balance prior

to making purchases for which they will be reimbursed. Reimbursements cannot be made for any personal items. Finally, all reimbursements must go through the expense report process in Workday.

Following are policies and procedures related to expenditures in support of group activities.

1. Make sure you are using the proper Cost Center and Designated Worktag, because transfers between funds will not be allowed after the purchase/reimbursement is complete.
2. To spend money from the county account, the group treasurer, president, or volunteer leader should submit a [Check Request Form](#) signed by the group officer, along with appropriate supporting documentation, to the county office.
3. The Staff Chair or designee will sign the Check Request form.
4. The county Administrative Assistant will write a check and present it to the Staff Chair, along with the Check Request form and other documentation, for his/her signature. (Checks issued from the UADA-CES state office will follow normal check writing procedures.)
5. Volunteers and UADA-CES personnel seeking reimbursement for expenditures must have proper receipts for payments made in support of the authorized program and/or group activity.
6. Expenses to be paid from the group bank account should follow group cash disbursement guidelines, including check writing/signing guidelines.
7. If the county office needs to order supplies or other items to be charged to the county account, the expenses should be coded to the county Cost Center and county Designated Worktag. Office supplies should be purchased through the state contract vendor.
8. Prior to executing a purchase of \$5,000 or more to be paid by a UADA account, contact the UADA Purchasing Office.
- 9. Group and individual travel expenses and honorariums cannot be paid or reimbursed from group or county accounts!**

Purchases and reimbursements made from county and state office accounts must follow all State of Arkansas and UADA purchasing guidelines. Group volunteers should follow sound purchasing practices and report all purchasing activities to UADA-CES through the required year-end reports. All expenditures should be supported by proper receipts which are maintained by the group for five years and available for review at any time.

Sample Expenditures

The table below provides examples of expenditures and which type of account can be used to pay the expense. With few exceptions, expenditures from Group accounts should be non-programmatic in nature and are referred to as “Cookie & Punch” expenditures. Expenditures related to the registration, planning, and delivery of 4-H and Master Gardener programs and activities should be made from county or UADA-

CES accounts.

Table 3 - Examples of Expenditures in Support of Group Activities	
Payments Required from County/UADA-CES Accounts (Programmatic)	Payments Allowed from Group Accounts (Non-programmatic)
Demonstration Supplies for Workshops	Refreshments (not meals) for Group Meetings (Cookies & punch)
Meals & Refreshments for Educational Events (Requires Official Function Form and List of Participants)	Program Awards Not to Exceed \$150 per Awardee (Not scholarships)
Registration & Material for Master Gardener Conferences & Seminars	Costs for Social / Recreational Activities (Admission to parks, movies, etc.)
Expenditures Related to 4-H Camps & O'Ramas	Ammunition & Targets for 4-H Shooting Sports Clubs, When Prior Purchase was not Feasible
College Scholarships	Speaker gifts ≤ \$100
Books & Curriculum	
Expenditures Related to Poultry and Other Livestock Projects	
Expenditures Requiring an Associated Contract	

Travel Expenses

Travel cannot be paid directly from county or group bank accounts. However, county depository accounts may be used to fund travel by submitting a Spend Authorization in Workday using the county Cost Center and appropriate group and/or account Worktag. The Spend Authorization should be submitted at least two weeks before the beginning travel date and must be fully approved in Workday before the travel occurs.

Hotel/Motel Expenses

There are several methods of paying for hotel/motel charges. These include:

- Personal reimbursement to the agent or volunteer after submission of proper documentation.
- Utilizing a travel card to reserve and settle the charges by contacting the District Administrative Assistants.
- Direct billing from the hotel. This method is not preferred due to the considerable amount of time required in advance of the stay.

Guest/Group Travel & Meals

When travel expenses are to be paid for a guest or group related to an Extension program or activity, approval must be obtained in advance of the travel. A Workday Spend Authorization should be submitted for approval. In addition, if the payee is not a UADA employee, the payee will need to be established as an External Committee Member in Workday prior to payment.

Travel Advances. Direct billing, P-cards, or departmental T-cards are recommended for expenses related to group travel. If none of these options is available, an employee may be advanced up to 90% of the estimated costs of overnight, out-of-state group travel. To request such an advance, the employee should complete a Spend Authorization and mark the appropriate box to request an advance payment. To ensure the request can be processed in a timely manner, the request should be submitted to the Business Office in Workday at least two weeks prior to the travel.

Following the completion of the travel, the employee who received the advance should create an expense report based on the original Spend Authorization. Additionally, itemized receipts and an Official Function for group meals should be submitted. The amount of the travel advance will be netted against the actual expenses and a payment made for the difference.

Group Meals. Whether related to travel or not, group meals can be paid through the requisition/PO/invoice process, based on a request for personal reimbursement, or by using a UADA-CES P-card. Regardless of payment method, an itemized meal receipt is always required.

Any discretionary gratuity (not mandated by the establishment), regardless of the description provided, shall not exceed 15% of the cost of the meal. An Official Function form must be submitted with the itemized receipt.

Note: The state prohibits reimbursement for the cost of alcoholic beverages.

Honorariums for Speakers and Contest Judges

If a program speaker or contest judge is to be compensated, the following guidelines apply:

1. Payment must be made from the state office, not the county or group accounts.
2. A W-9 must be completed by the speaker/judge.
3. There must be a fully executed (signed by both parties) [Memorandum of Agreement](#) (MOA) or [4-H Judging Agreement](#) in place prior to the event.
4. To charge the payment to the county account, a requisition should be submitted using the county Cost Center and Designated Worktag.

Note: Speaker gifts with a value no more than \$100 can be purchased from group accounts.

Purchases and Disposals of Equipment

The following guidelines should be followed when purchasing equipment in support of group programs and activities:

1. In order to ensure proper accounting and compliance with state purchasing laws, equipment costing \$500 or more should not be purchased through a group bank account without prior consultation with the local county Staff Chair.
2. Equipment purchased or maintained by group volunteers should be reported annually on the Annual Group Property/Inventory report.
3. For liability reasons, firearms may not be purchased through a group account. Because firearms are defined as “*weapons from which a shot is discharged by gun powder,*” the purchase of BB guns, air rifles, and archery equipment through a group account is allowed.
4. If group funds are to be used to purchase unallowable equipment, the group can deposit funds with the county and the county can complete the purchase.

When disposing of previously reported equipment, groups should transfer the equipment to the county office for disposal. The county office will complete a [Property Disposal Form](#) and transfer the equipment to be retired to the state office. *State law mandates that equipment cannot be sold, raffled, or otherwise disposed of locally. It must be disposed of through the State office of Marketing and Redistribution.*

Sales Tax

Payment of Sales Tax

The following items apply to Arkansas sales tax payments on purchases of goods or services. These statements do not address the collection of sales tax on sales.

1. Except items to be resold to the public, Master Gardener groups must pay sales tax when purchasing supplies, equipment, or other items.
2. In order to avoid the payment of sales tax on the purchase of items for resale, the [Sales and Use Tax Permit](#) issued by the State should be presented to the vendor. This exemption is for Arkansas sales tax only and has no bearing on federal or state income tax obligations.
3. If Master Gardeners purchase items for resale and do not pay tax on the purchase, sales tax must still be collected from the buyer when the items are sold by the Master Gardeners.
4. Purchases of tangible goods or services by 4-H clubs in support of 4-H activities are exempt from the payment of sales tax per Arkansas Gross Receipts Regulation GR-31.

- The GR-31 sales tax exemption does not apply to purchases by the county or state office on behalf of 4-H clubs. Likewise, purchases by local 4-H foundations are not exempt from the payment of sales tax on purchases, even if those purchases are in support of 4-H club activities.

Collection of Sales Tax

Sales tax on the sale of goods and services is required unless directed by the Business Office. *Volume sales are NOT exempt from the collection of sales tax.*

All sales tax collected by group volunteers should be identified separately on the [Record of Deposit Form](#) and remitted to the county Extension office for further processing and payment to the state. Except in connection with a Special Event (described elsewhere in this document), ***the group should never remit sales tax directly to the Department of Finance and Administration!***

If sales tax is not collected separately, sufficient information must be collected to calculate and remit the implied tax amount to the county office and ultimately to the state.

The following table lists examples of sales typically made by 4-H clubs and Master Gardener groups and identifies whether those sales require the collection of sales tax.

Table 4 - Examples of Group Sales and Sales Tax Requirements	
Sample Sales Activities	Collect Sales Tax?
Bake Sales (unless sold to the public more than 3 times per year)	No
4-H Calendar Sales	Yes
Master Gardener Calendar Sales	No (because the tax is included)
Clothing sold to group members	No
Clothing sold to the public	Yes
Cookbook Sales	Yes
Garden Tool Sales	Yes
Garden Tour Fees Collected	No
Sales of Pecans, Plants, Pork Butts, Poinsettias, etc. <i>(Unless sold to the public more than 3 times per year)</i>	No
<i>Sales of tangible property or concessions at county fairs are exempt from state sales tax per Arkansas Gross Receipts Regulation GR-39</i>	

Contact the Business Office for sales tax determination for activities not listed.

Fund-Raising Activities

This section discusses several types of fund-raising activities common to UADA-CES programs. For questions about fund-raising activities not discussed below, contact the UADA Business Office.

Special Events

A Special Event is defined by the Arkansas Department of Finance and Administration as “an entertainment, amusement, recreational, or marketing event which occurs at a single location on an irregular basis and where tangible personal property is sold. Special events include, but are not limited to, music shows and events; auto shows; boat shows; gun shows; knife shows; home shows; craft shows; flea markets; carnivals; circuses; bazaars; fairs; and art or other merchandise displays or exhibits.”

If a Special Event is organized by any UADA-CES personnel or group and includes ANY outside vendors selling tangible items, the organizer must contact the local Staff Chair. The Staff Chair will then contact the Business Office to ensure the proper forms and procedures are completed in compliance with state law.

A more detailed description of special event procedures can be found here: [Special Event Procedures](#). Required forms include the [Special Event Application](#) and the [Special Events Vendor Log](#).

Raffles

UADA-CES has a state license to conduct raffles. If an Extension group or program wishes to conduct a raffle for fund-raising purposes, the Staff Chair must complete the [Raffle Request Form](#) and submit the form to the Office of the Associate Vice President for Finance and Administration at least 10 business days prior to the start of the raffle.

If the item to be raffled is a firearm, the donor or vendor should retain ownership of the firearm until after the raffle so the winner of the raffle can register the firearm in his/her name as required by law.

Because Extension Homemakers and 4-H foundations are legally separate entities, the **UADA-CES raffle license cannot be used by these organizations**. Agents are to direct EHC volunteers to EHC leadership for guidance on conducting raffles on behalf of Extension Homemaker Clubs and 4-H foundation members to foundation leadership for their raffles. However, these organizations can assist Extension with raffles it conducts by and on behalf of Extension groups and programs.

Raffles held May 1 through April 30 must be reported on the [Annual Raffle Report](#) by May 15. Counties are to include all raffles held during that time frame on one report. Submit the completed Annual Raffle Report along with a copy of each Request to Conduct Raffle to the Office of the Vice President for Finance and Administration no later than May 15.

4-H Poultry Project

The following guidelines apply to 4-H poultry projects, aka the Poultry Chain.

1. Proceeds from the sale of chicks to 4-H members, groups, or foundations must be deposited in the county depository account.
2. UADA-CES guidelines must be followed when collecting and depositing the money at the county office, including the issuance of an official receipt.
3. Local 4-H foundations can purchase chicks from the county office and sell or give them to 4-H members.
4. Pullets are typically sold at an auction in conjunction with a county fair. If this auction is conducted by the county office, the [Poultry Auction Revenue Form](#) must be completed.
5. If the auction is conducted by the local 4-H foundation or fair board, their personnel are responsible for handling the collection, receipting, and depositing of the funds into their accounts.
6. The local 4-H foundation or fair board may donate a portion of the proceeds to the county 4-H program. In this case, the donation will be handled as any other donation.
7. If a buyer of 4-H pullets pays more than their fair market value, the buyer may request a tax receipt. In that case, a MISC 400 should be completed for the amount of that donation. The tax receipt will then be issued to the buyer from the Development Office. Otherwise, one MISC 400 should be completed for the entire amount of poultry auction proceeds in excess of the fair market value of the pullets as described in the instructions for the [Poultry Auction Revenue Form](#).
8. The portion of the sales price that approximates the annually-determined fair value of the pullets will be entered in Workday as Educational Sales and Services (RC0036 Sales and Services). Amounts collected in excess of the total fair value should be entered as gifts (RC0005 Contributions).

Petty Cash

Petty cash for events, including change for fund-raising events, can be obtained in two ways. First, someone can use personal funds or funds from a group bank account, with reimbursement made from proceeds of that event. Second, a County Cash Procurement Agreement may be completed and submitted to the UADA-CES Cash Manager or Director of the Business Office

Donating Funds to Non-Extension Entities

If a group wishes to donate group funds to an organization not engaged in conducting programs related to the UADA-CES mission (4-H or Master Gardener), the following are required:

The recipient of the donation must be a recognized charity or civil organization. Funds cannot be donated to individual persons or families. For this type of donation, funds should be collected from the membership on a volunteer basis.

The money to be donated must have been raised for that purpose. All advertisements, tickets, flyers, etc. must indicate what portion, if any, is to be donated and must include the name of the designated charity. ***Funds raised in the name of 4-H or Master Gardeners cannot be donated to another organization or individual!***

A copy of the advertising material that meets the above criteria should be kept with a copy of the check and be made available to UADA-CES upon request.

Individual group members (4-H or Master Gardeners) can participate in the fund-raising events of other organizations as long as they are not representing the group and are only acting on their own behalf. For example, a 4-H member can participate in the Relay for Life to raise money for the Cancer Society as long as the member is not raising the money in the name of 4-H.

Gifts and Grants

Cash Gifts

All cash gifts received by group volunteers on behalf of a group must be reported to the county Extension office to ensure proper accounting, reporting, receipting, and acknowledgement, if applicable.

Cash gifts of less than \$250 may be deposited in and spent from group accounts. Cash gifts of \$250 or more must be deposited in the county depository account or a state office bank account AND reported to the Development Office via a [Gift Disclosure Form](#).

If a gift is less than \$250, but the donor requests a tax receipt, the gift must be deposited in a UADA-CES account (county or state office account) and reported to the Development Office.

Staff Chairs will ensure all gifts are properly acknowledged with a Thank You note. All formal gift acknowledgement and tax receipt letters will be sent from the UADA. Copies will be provided to the fund manager noted on the Gift Disclosure Form. ***No county office employee or volunteer should attempt to provide an IRS-acceptable tax receipt!***

The Assistant VP for Finance and Administration should be notified when a donation with a written restriction for a specific purpose is received.

Non-cash Gifts

Non-cash gifts are tangible items that are directly used or consumed in a sanctioned project or educational outreach effort. Examples include plants, seed, soil, food, supplies, tools, books, or other printed resources, etc. Non-cash gifts also include capital gifts such as equipment, buildings, and real estate. Non-cash gifts should be reported using the [Gift Disclosure Form](#). As is the procedure for cash gifts, the local county office is responsible for sending the donor a Thank You note.

Sponsorships

Sponsorships are simply cash or non-cash gifts designated for support of a specific event or meeting. If a donor provides money to pay for a meal or other component of an Extension event, the donation should be reported as a cash gift. If the donor pays a vendor (say a restaurant for a meal), directly in support of an Extension event, whatever is received should be reported as a non-cash gift.

Grants

There are many factors used to determine whether an offer of money or something else of value is a gift or a grant. In some cases, the classification is clear; in other it is not. In general, a grant is a contribution requiring certain performance by the recipient, specific deliverables, and/or program or financial reporting to the funder. What the funds are called by the funder is not the determining factor. When in doubt about the classification of gift versus grant, contact the Office of Sponsored Programs for a determination, or simply treat the contribution as a grant. Treating the contribution as a grant is the safest approach because of the inherent tracking of funds and ability to generate reports.

All grant applications and pre-applications, including letters of intent, require the initiation and approval of a proposal in Streamlyne (grants software system). If the application is approved for funding, the county office should notify the Office of Sponsored Programs by forwarding a copy of the notification. The Office of Sponsored Programs will then establish an award and grant Worktag in Workday.

Occasionally, funds are received without the submission of an application to the funder. If there are performance requirements, deliverables, or required reports, a proposal should be submitted in Streamlyne as soon as possible. When the proposal is processed, the Office of Sponsored Programs will establish an award and grant Worktag in Workday.

Grant funds are not to be deposited into county depository accounts! The funds will be spent in accordance with the grant requirements through normal Extension expenditure procedures such as the requisition process or use of P-Cards. ***Do not pay for grant purchases by writing a county check!*** Because grant funds come with external requirements, additional tracking and monitoring by the Office of Sponsored Programs are required.

Small Grants

Except as noted below, small grants, defined as \$1,000 or less, provided by external parties to support club or county activities may be treated as gifts and spent from county accounts. In these cases, county personnel should complete a [Gift Disclosure Form](#) as they would for any other gift, and record the transaction using a RC0005 revenue category in Workday. However proceeds from the United Way, National Rifle Association, or any federal agency, no matter how small, must be deposited in and spent from state office accounts.

Volunteers may not apply for grants. All grant applications for the county must be initiated by an agent who will enter the proposal in Streamlyne.

Contracts

Contracting Authority

Contracting authority and guidelines are found in the University of Arkansas System Board of Trustees Policy 300.1. UADA contracting information can be found here: [Contracts](#). Contracts must be written in the name of the Board of Trustees of the University of Arkansas. Contracts made in the name of a campus, school or college, academic department, etc., are unenforceable. Contracts representing the UADA-CES are to be worded in the following manner:

The Board of Trustees of the University of Arkansas, acting for and on behalf of the University of Arkansas System Division of Agriculture.

The President of the UA System is authorized to delegate the authority to contract. For UADA-CES, that authority has been delegated to the Senior Associate Vice President for Agriculture – Extension and the Associate Vice President for Finance and Administration. This includes authority to review, approve, and sign all of the following documents, even if no money is involved:

- Applications for grants
- Contracts for grants
- Rental agreements for facilities and equipment
- Contracts for caterers, speakers, etc.
- Any agreement requiring the signature of an “authorized agent/official”
- Bus rental agreements for 4-H or Master Gardener tours or activities

Contracting authority also extends to online acceptance of terms & conditions related to purchasing, subscribing, accepting financial awards, etc. If you are asked to check a box accepting terms and conditions, that is the same as signing a contract. If asked to do this, print the terms and conditions along with the body of the agreement and forward it to the Office of the Associate Vice President for Finance and Administration for review and approval before completing the online transaction.

If you sign a contract, you may be taking personal responsibility for any and all activities, including disputes, related to the contract.

Foundation Grants and Contracts

Board policy applies to contracts in the name of the Board of Trustees of the University of Arkansas only. All grants and contracts in the name of foundations must be developed, executed, and administered by the foundation. If an agreement in the name of a foundation requires performance by UADA-CES personnel, there must be a sub-agreement executed

between the foundation and UADA-CES. A foundation, which is a legally-separate entity, may not commit UADA-CES resources, including personnel time, in fulfillment of its obligation.

Scholarships & Awards

Program Scholarships

Program scholarships are payments made to cover all or some of the registration fees or other costs of a program or activity on behalf of an individual participant. Program scholarships may be paid from the county depository account on behalf of an individual 4-H member, volunteer, or Master Gardener. Examples include 4-H camp scholarships and scholarships for Master Gardener state and leadership conferences. If groups want to use funds in their accounts to support program scholarships, they should deposit the desired amount of money into the county depository account. The county will then write a check to the vendor or state office, depending on the program.

College Scholarships

Some groups wish to use funds to help students taking college courses. To award college scholarships, the group must have written, preset criteria for applicants and must award the scholarships based on an objective process. College scholarship policies and procedures, as well as the names of award recipients, must be approved by the local Staff Chair prior to notifying the recipient.

Like a program scholarship, if a group wishes to use funds in a group bank account, a check should be written and deposited with the county so the award check can be written from the county bank account. Checks should be written to the institution of higher learning of the recipient's choice (within scholarship parameters), not to the individual student. If this is not possible and the check is to be written directly to the student, county personnel should contact the Business Office, because a W-9 will need to be completed and on file before the check is written.

Program Awards

Program awards are monetary, tangible, or travel gifts in recognition of program achievement. Monetary awards include cash, checks, savings bonds, and gift cards. Tangible awards include, but are not limited to trophies, ribbons, belt buckles, supplies, etc. Program award trips must be related to the components of a program. Trips that are not tied directly to an educational program cannot be paid from county accounts.

Program awards are allowed to be paid from both group accounts and county office accounts if selection criteria and processes are followed and funds are available in the appropriate account. If gift cards are purchased for use as awards, the [Gift Card Policy](#) must be followed, and the appropriate forms completed.

Other Topics

Annual Reporting

Annual financial reports are required for clubs and groups that either maintain a separate bank account and/or that have qualifying inventory. In these cases, the reporting period is January 1 through December 31 of each year. Reports are due to the state office by March 31. Each County Office will establish deadlines for clubs and groups to submit reports to the Staff Chair for review before submission to the state office by March 31. Reporting forms and instructions can be found here: [Annual Financial Reporting Forms and Instructions](#).

Record Retention

Unless otherwise instructed, groups should retain records for a period of five years after the transaction date. UADA-CES personnel should retain records in accordance with UADA [Record Retention Guidelines](#). At the end of the required retention period, records should be destroyed by shredding.

Group Dissolution

If a group that has a private bank account dissolves and ceases operation, the account should be closed. A check for the closing balance should be written to the local county Extension office and deposited in the county depository account. Funds can be earmarked for another active group or go to support general 4-H or Master Gardener activity in that county. Any distribution of final club funds must be approved by the Staff Chair. Funds raised in the name of 4-H or Master Gardeners must be spent for 4-H or Master Gardener purposes.

If a group that has a private bank account chooses to deposit its funds into and operate from the county account, the treasurer or other volunteer should close the account and write a check for the closing balance to the local county office for deposit into the county depository account. Those funds will be designated for that group via a special Worktag in Workday. Those funds will only be spent in support of that group. Neither the state office nor the county office will use those funds for any other purpose.

Volunteer Immunity

Volunteers are covered under the [Volunteer Immunity Act of 1987](#). Volunteers are not to be held civilly liable for their acts or omissions in carrying out their authority and responsibilities as volunteers if such acts or omissions were performed in good faith and did not constitute gross negligence. There is an exception when the volunteer is covered by a policy of insurance, in which case the liability is limited to the amount of coverage provided by the policy.

Dissolution of Private Bank Accounts

Responsibility for all financial policies, reporting, and activities rests with the UADA Associate Vice President for Finance and Administration (AVPFA). The AVPFA, at his/her discretion, may require that specific bank accounts be closed, require different signatories, different tax identification numbers, etc. In particular, if clubs with private bank accounts fail to complete required financial reports timely and/or accurately, the AVPFA may require the closure of the account. If private accounts are closed, remaining

funds should be deposited in the County Depository account and may continue to be used to support the club that raised the funds.

Links to Forms & Policies

[4-H Judging Agreement](#)

[Annual Financial Reporting Forms and Instructions](#)

[Annual Raffle Report](#)

[Check Request Form](#)

[Contracts](#)

[Gift Card Policy](#)

[Gift Disclosure Form \(MISC 400\)](#)

[Memorandum of Agreement Instructions](#)

[Poultry Auction Revenue Form](#)

[Property Disposal Form \(MISC 374-D\)](#)

[Raffle Request Form](#)

[Record of Deposit Form](#)

[Record Retention Guidelines](#)

[Refund Request Form](#)

[Sales and Use Tax Permit](#)

[Special Event Application \(MISC 377\)](#)

[Special Event Procedures](#)

[Special Event Vendor Log \(MISC 378\)](#)

[Volunteer Immunity Act](#)