



Annual Financial Review/Audit Guide

This financial review/audit guide is designed to assist members, volunteers, and extension employees in completing annual financial reviews/audits of 4-H clubs and groups. All 4-H clubs and groups that have financial accounts must be reviewed annually for non-profit public accountability and transparency as well as to fulfill the requirements of the 4-H chartering process. Accounts should be reviewed by at least two unrelated individuals and those individuals should have no relation to the club or group treasurer.

Financial Documents

The 4-H club or group treasurer should give the review/audit team the following documents/items:

- Annual Club/Group Treasurers' report
- Bank statements for the past 12 months
- Receipts for expenses for the past 12 months
- Deposit slips for all deposits for the past 12 months
- Annual inventory report

Review/audit Process

The review team is responsible for ensuring the club or group is providing clear accounting and record keeping methods which include: tracking and documenting purchases and deposits using the treasurers' report; documenting and filing receipts; and keeping and reconciling account balances with bank statements. Keep in mind the club treasurer may be a youth or adult with little to no accounting experience – your constructive guidance and feedback is important.

For each 4-H club or group the review/audit team should, at a minimum, review the following items:

- Reconcile year-end account balance with bank statements
- Select 3-5 transactions each month (select a combination of deposits and expenditures) to ensure each transaction is:
 - properly documented in the account journal including source and purpose
 - reconciled with monthly bank statement
 - accompanied by a receipt – either bank deposit or expense receipt
- Ensure checks are signed by two people and both are on the bank signature card (if duplicate or cleared checks are available for view).
- Ensure all tangible property or equipment purchased or donated is listed in the Inventory Report

Remember that this process is important to ensure financial accountability and transparency for all 4-H clubs and groups but it is also a valuable learning process for all those involved. Your suggestions for improvement are always welcome and valued.