



Chartering 4-H clubs and affiliated groups, or granting permission for groups to operate in the name of 4-H, dates back many decades. Texas 4-H began to charter all clubs and affiliated groups in 2003 following a directive from National 4-H Headquarters at USDA. The Texas A&M AgriLife Extension Service is committed to protecting its 4-H program, members, the 4-H name and emblem in Texas and the country. This protection comes through the commitment and requirement for all county, district, region, and state level 4-H clubs and groups to have current charters and understand the value of those charters.

PURPOSE

Chartering is a legal process which allows faculty to verify the financial status, business and legal documentation for each group operating in the name of 4-H. All Texas 4-H clubs/groups must charter to receive permission to operate and use the name/emblem of 4-H and be recognized as an Internal Revenue Service 501(c)(3) not-for-profit group under the umbrella of Texas 4-H, Inc. A charter allows a group to function with all the rights and privileges of 4-H membership. Once officially chartered, the county office can download a letter from 4-H Connect with the club name to validate their charter recognition. If the club/group is its own IRS recognized 501(c)(3) organization, they must file separately with the IRS on an annual basis, but still must be chartered as a Texas 4-H club/group for recognition. Clubs or groups who are not chartered are not allowed to use the 4-H name and emblem and are NOT considered a 501(c)(3) organization, therefore required to pay income tax annually. A chartered 4-H club/group under Texas 4-H, Inc. is provided the following benefits: Use of the 4-H name and emblem, General Liability Insurance for facilities and meetings, Accident/Incident Insurance for ACTIVE 4-H youth and volunteers during 4-H sponsored meetings, activities and contests and IRS recognition as an entity under a 501(c)(3) not-for-profit organization.

GENERAL REQUIREMENTS

All 4-H community, project, and activity clubs, SPIN clubs, or groups must be annually chartered. Examples of groups which must be chartered include, but are not limited to: County 4-H Council, County Volunteer Leaders Association, County 4-H Booster Club, County 4-H Clover Kids Groups, County 4-H Ambassador Program, District 4-H Program Development Committee, District 4-H Council, District Volunteer Leaders Association, Texas 4-H Council, Texas 4-H Youth Development Foundation, State and District AE4-H Associations. The club/group must have a name that does not discriminate, offend or intimidate others from joining, have a minimum of at least one ACTIVE volunteer leader who will serve as a club manager, five or more youth members from at least two different families and commitment from adults/families for the club/group to remain in operation for at least five years. The meeting location, day and time must be made public for others to visit and join.

Groups, or organizations, who wish to use the 4-H name and emblem but are not under the direction of Extension and have an independent board of directors should be issued a memorandum of understanding (MOU) regarding use of the 4-H name and emblem. Some examples of this are stock show boards, other 501(c)(3) 4-H foundations, private foundations or fund raising groups. The letter would come from the County Extension Agent granting permission to use the name and emblem if their work is in the best interest of the local 4-H program.

A club/group who will not be active due to lack of leadership/membership but would like to retain the EIN, must submit an online charter application and request an INACTIVE status. This will allow the club/group to remain under Texas 4-H Inc. for one 4-H year. A club will be permanently removed from Texas 4-H Inc.'s IRS list after one year of being inactive. Form can be found on the Texas 4-H Website (<http://texas4-h.tamu.edu/management/>).

TEXAS SALES TAX

The use and granting of a 4-H Club/Group 501(c)(3) status through Texas 4-H, Inc. only applies to the exemption of federal income tax and not state sales tax. All Texas 4-H clubs and groups are required by Texas law to pay state sales tax on any purchases of goods, equipment, and supplies. The only exception to this rule is if a 4-H club/group has applied for, and received, a Texas Sales and Use Tax Permit through the Texas Comptroller of Accounts Office in Austin, Texas. Clubs and groups have to apply individually. There is not an option to have a group waiver. A 4-H club/group is not allowed to use the County Government or other entities' Texas Sales and Use Tax Permit to purchase goods, equipment, and supplies. If a 4-H club/group has acquired a Texas Sales and Use Tax Permit on its own then the 4-H club/group is legally responsible for filing all required monthly, quarterly, or yearly documentation directly to the Texas Comptroller of Accounts.

FEDERAL INCOME TAX

Except for private foundations, which must file Form 990-PF annually regardless of gross receipts, an exempt organization that normally has \$50,000 or more in gross receipts must file an exempt organization information return Form 990, Return of Organization Exempt from Income Tax, whether or not the organization has formal tax exempt status. Most organizations are not required to file a Form 990/ Form 990-EZ or Form 990-PF but are required to submit a Form 990-N, e-Postcard. Download the IRS Filing Instructions for Texas 4-H Club/Groups found on the Texas 4-H Website (<http://texas4-h.tamu.edu/management/>).

REVOKING A CHARTER

County Extension Agents may request a 4-H Charter be revoked if clubs are not following Texas A&M AgriLife Extension Service, Texas 4-H, Inc., and/or National 4-H Headquarters procedures. Examples include, but are not limited to: club does not meet the minimum number of members requirement or members not enrolled on 4-H CONNECT, no enrolled adult volunteers, not submitting requested paperwork in a timely fashion, lack of financial accountability, and not submitting an IRS 990 for three (3) consecutive years regardless of club having money, etc. The Texas 4-H Rules and Guidelines provide more information on revoking 4-H club charters.

DISBANDMENT

In some cases due to lack of participation, a club or group may need to vote and approve to disband. Once approved, the club manager will work with the County Extension Agent(s) to transition all financial and physical assets as identified in the club/group bylaws. Download the disbandment instructions found on the Texas 4-H Website (<https://texas4-h.tamu.edu/management/>).

ADMINISTRATIVE CLUBS

All administrative clubs (Delivery mode: 9) Administrative/Organization Unit) such as Adult Leaders, Youth Boards, or 4-H Councils, must be chartered and have an Active (Chartered) Status in 4-HConnect. This will allow County Extension Offices to access chartering information and Texas 4-H, Inc. determination letters. This also means that it will be an “open” club/group for enrollment. The County Extension Office will need to adjust club settings to limit youth enrollment. Instructions For Limiting Youth Enrollment: Log into a 4-H Connect County Manager Account, Click on Enrollment tab, click on the Clubs Icon, Click the edit button to the right of the club name, click on the drop-down menu called Maximum Number of Youth to pull the cursor down to the number “1”, scroll to bottom and click to save changes. After the new 4-H year has started, select one 4-H member (Agent/Support Staff child, or senior leader youth) to enroll in all your administrative clubs. This will now lock any other youth from enrolling in those clubs.

EMPLOYEE IDENTIFICATION NUMBERS (EIN)

Information gathered from IRS publication 1635 (Revised 4-2011): “Understanding Your EIN”. An Employer Identification Number (EIN) is a nine-digit number the IRS assigns in the following format: XX-XXXXXXX. It is used to identify the tax accounts of employers and certain others who have no employees. The IRS uses the number to identify taxpayers that are required to file various business tax returns. EINs are used by employers, sole proprietors, corporations, partnerships, non-profit associations, trusts, estates of decedents, government agencies, certain individuals, and other business entities. Clubs should use their assigned EIN on all of the items that are sent to the IRS pertaining to the 4-H club/group. EIN Number and Tax Exempt Organizations(4-H) IRS Section 501(c)(3) Organization is organized and operated exclusively for one or more of the following purposes: charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition (but only if none of its activities involve providing athletic facilities or equipment), or the prevention of cruelty to animals. Contributions to domestic 501(c)(3) organizations, except organizations testing for public safety, are generally deductible as charitable contributions on the donor’s federal income tax return.

GROUP EXEMPTION LETTER

A group exemption letter is a ruling or determination letter issued to a central organization recognizing, on a group basis, the exemption of subordinate organizations on whose behalf the central organization has applied for recognition of exemption. A central organization is an organization that has one or more subordinates under its control. A subordinate organization is a chapter, local, post, or unit of a central organization. For 4-H clubs/groups in Texas this Group Exemption Letter is issued to Texas 4-H, Inc., with each 4-H club/group filing under their group exemption number. The group exemption number, or GEN, for Texas 4-H, Inc. is 5932.

EMPLOYEE IDENTIFICATION NUMBER (EIN) RELATED ISSUES:

- Lost EIN. You can contact the IRS at 800-829-4933 during the operation hours of 7 am to 10 pm, Eastern time. The assistor will ask you for identifying information and provide the number to you over the telephone, as long as you are the person who is authorized to receive it. Once you receive it, ask if a letter verifying the number can be mailed to the address listed, or change the address to that of the county Extension office.
- Cannot locate the EIN or person who is contact on EIN. If you know that your club/group has an EIN, but cannot locate the number, the person associated with the EIN, or any other information pertaining to the number, then you will need to file for a new EIN and the steps listed under the New Clubs and EIN section can be followed. When re-filing for a new EIN, list the county Extension office as the mailing address with the current club manager/treasurer as the contact to prevent future issues.

If a club/group has to apply for a new number or contact the IRS, it is a best practice to update the contact with the new club manager/treasurer and list the contact address as the County Extension Office so any future correspondence will be sent to the County Extension Office. A sample EIN Verification can be on the Texas 4-H Website (<https://texas4-h.tamu.edu/management/>).



TIMELINE FOR INFORMATION DISTRIBUTION AND CHARTERING

April	Release of Texas 4-H Chartering Instructions.
April-May	The county Extension office will set the county application procedures and deadlines. The deadline should be established early to allow for any follow-up and late submissions. The county office meets with club manager and distributes information for chartering.
May 1 - July 1	County office or club manager completes charter application process.
July 1	Application deadline for county office review and approval for an August 15 club activation.
July 2 - August 1	State 4-H Office reviews club charter application and support documentation.
August 15	Enrollment opens for new 4-H year (Sept 1 to Aug 31). Youth can enroll in approved clubs only.
September 15-December 20	Filing of club/group 990 Forms with IRS by ALL clubs/groups.
February 26	Last day to submit a club/group application for chartering for the 4-H year. This ensures that all community 4-H clubs be active for at least six months in order to provide a quality 4-H experience. A request for late submission can be made to the State 4-H Office for special situations related to the formation after this date. Email: texas4h@ag.tamu.edu

APPLICATION

Application <i>All Clubs or Groups</i>	Start an online charter application on 4HConnect through any active adult profile under the events area, scan all supporting documentation into one PDF file to upload in the correct field, and submit the application for review at the county office. The application will be certified up to the state level for review. If approved, the club/group will be visible for enrollment. If not approved, a note with issues will be sent to the family email address of the adult who submitted the application. The club/group is not visible for enrollment until the charter application has been approved at the state level.
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SUPPORT DOCUMENTATION

Charter Agreement <i>All Clubs or Groups</i>	A complete and signed charter agreement for the current 4-H Year.
Bylaws <i>All Clubs or Groups</i>	The most recent set of bylaws must be provided as part of the charter application. A sample set of bylaws is provided for clubs/groups to use as a guide. While clubs/groups have flexibility with their bylaws, the items in bold in the sample set are required to be in all bylaws. Club/group bylaws may also not conflict with the Texas 4-H Rules and Guidelines and/or the charter agreement.
Employer Identification Number (EIN) Verification <i>New Club/Group with a Financial Account</i>	A club/group must apply and receive an Employer Identification Number (EIN) from the IRS if there is an open financial bank account. Once you apply via the IRS.gov website you will receive your EIN immediately. You can download, save, and print your EIN confirmation notice. The group exemption number, or GEN, for Texas 4-H Inc. is 5932. A verification letter must be provided during the application process if the EIN is new. The document should indicate the name of the club/group, the contact person, and the EIN. Any club/group chartered within, and as part of, school districts, children's homes, or other organizations, can use the parent organization's EIN, but will not be under Texas 4-H, Inc. for their not-for-profit status. Instead, they would file their 990 separately.
Bank Statement <i>Club/group with a Financial Account</i>	A club/group must provide a copy of the most current bank statement for each of the accounts the club/group manages. All bank accounts require at least two signatures from different households and not related. Do not include cancelled check copies for security reasons.
Review of Finances <i>Club/group with a Financial Account</i>	A complete and signed Texas 4-H Youth Development Program Annual Club/Group Financial Review must be provided. Texas 4-H clubs/groups with a bank account(s) will conduct an annual financial review of all funds received and distributed during the 4-H year. Once a review time has been established, the club/group is encouraged to remain on that review schedule for the following years. The review must be conducted by adults not associated with the club/group or the County Extension Office. For more information on the Financial Review, refer to the Texas 4-H Financial Management Rules & Guidelines and the Texas 4-H Youth Development Program Annual Club/Group Financial Review.

Chartering information can be found online at: <https://texas4-h.tamu.edu/management/>

ALL DOCUMENTS MUST CLEARLY SHOW THE CLUB/GROUP NAME



This is only an example so you will know what information is needed.
 Login to the family account on 4HConnect and register an active adult in the 20-21 Charter Application event.

CHARTER APPLICATION

THIS INFORMATION SHOULD BE TYPED IN ON 4HCONNECT

Club Name:	EIN:
County:	
Application Type:	<input type="checkbox"/> Renew club charter for 2020-2021 <input type="checkbox"/> Renew club charter - Inactive for 2020-2021 <input type="checkbox"/> New club charter for 2020-2021
Club Type:	<input type="checkbox"/> Organized 4-H Community Club <input type="checkbox"/> Organized 4-H In-School Club <input type="checkbox"/> Organized 4-H After-School Club <input type="checkbox"/> Organized 4-H Military <input type="checkbox"/> Administrative Club (See Administrative Club Management Instructions)
Affiliation:	<input type="checkbox"/> Texas A&M AgriLife Extension Service <input type="checkbox"/> Prairie View Cooperative Extension
Is there a bank account associated with this club?	<input type="checkbox"/> No <input type="checkbox"/> Yes
Is this club in a racially ethnically mixed community? This is an area or community in which more than one of the racial-ethnic groups make up the population of potential program participants.	<input type="checkbox"/> No <input type="checkbox"/> Yes
Is this club integrated as to the race and ethnicity of the membership? This is a group composed of members of more than one of the racial-ethnic groups above.	<input type="checkbox"/> No <input type="checkbox"/> Yes

DOCUMENTATION UPLOADED TOGETHER IN ONE PDF FILE

- ALL CLUBS** - Charter Agreement
- ALL CLUBS** - Bylaws with required statements
- CLUB WITH BANK ACCOUNT** - 2020 Bank Statement with club name, account number and bank name. Do not include blank checks.
- CLUB WITH BANK ACCOUNT RENEWING CHARTER** - 2019-2020 4-H Year Financial Review for charter renewals
- CLUB WITH EIN**: EIN Verification (Only if club or EIN is new)

This worksheet is to be used as a guide to complete the online application.

Do not upload this form to 4HConnect!



This agreement is between _____ in _____ County, Texas and Texas 4-H, Inc.
Chartered Organization *Chartering County*

Chartered Organization EIN: _____ Mailing Address: _____

The purpose of the 4-H program is to provide meaningful opportunities for youth and adults to work together to create sustainable community change in a learn-by-doing program. This is accomplished within three primary areas including citizenship, healthy living, and science. The purpose of 4-H is to help youth become productive members of society. The educational programs help youth develop inquiring minds, learn practical skills, strengthen decision making abilities, develop youth-adult partnerships, improve communications and interpersonal relationships, and ultimately share their skills and experience in leadership roles. Through hands-on, learn-by-doing activities, youth establish real-life goals and develop important life skills.

The Chartered Organization, as a duly constituted organization under Texas 4-H, Inc. that serves youth and is guided by adult volunteer leaders wish to use the program of 4-H and the 4-H name and emblem to further the development of the youth it supports. The club/group provides the support and service it needs to further the mission and purpose of 4-H. 4-H programs, through clubs/groups, are available in every county in Texas. The county 4-H office of the Texas A&M AgriLife Extension Service provides the administration of all 4-H clubs/groups in the county for which they are assigned and responsible.

The Chartered Organization agrees to:

- Use the 4-H program to further the purpose of 4-H.
 - Use the 4-H program to develop youth leadership, life skills, and service to community.
 - Conduct programs in accordance with Texas A&M AgriLife Extension Service and Texas 4-H Youth Development Program rules and guidelines.
 - Provide equal opportunities in programs and activities, and education to all persons regardless of race, color, sex, religion, national origin, age, disability, genetic information, veteran status, sexual orientation or gender identity.
 - Use the 4-H name and emblem in accordance with 4-H policies, and 18 USC 707.
 - Be administered locally by the county 4-H office of the Texas A&M AgriLife Extension Service.
 - Follow all rules and requirements of adult volunteer service to youth in accordance with Youth Protection Standards outlined by Texas A&M AgriLife Extension Service.
 - Follow and abide by Texas 4-H Financial Management Guidelines.
- Follow and abide by all Texas 4-H Inc. chartering rules and requirements as outlined in the 2020-2021 Texas 4-H Chartering Instructions published by Texas A&M AgriLife Extension Service, as it relates to:
 - Charter Application
 - Charter Agreement
 - Bylaws or Standing Rules
 - Employer Identification Number
 - Banking and Financial Institutions
 - Financial Accountability & Reporting
 - Other Club/Group Charter Requirements
 - Secure adequate and appropriate meeting facilities for the club/group to facilitate the implementation of the 4-H program of this Chartered Organization.
 - Surrender all financial assets held in financial institutions and property/inventory assets upon dissolution of the Chartered Organization to the county Extension agent or representative.

Club/Group Agreement: This Club/Group Charter may be revoked at any time by an official representative of Texas A&M AgriLife Extension Service directly responsible for administering the 4-H program covered by this Charter. This authorizes the Texas A&M AgriLife Extension Service employee (below) or their representative full access to retrieve banking records, funds and authority of any financial institution accounts (checking, savings, investments) held by this Chartered Organization. Furthermore, by submitting this charter agreement, we understand and agree that the Chartered Organization will follow the Standard Texas 4-H Club Bylaws.

We further agree that our Club/Group bylaws can in no way contradict or change the Texas 4-H Club Bylaws, nor can they violate the Texas 4-H Rules and Guidelines.

Signature: _____ Printed Name: _____ Title: _____ Date: _____
Chartered Organization Adult Volunteer Leader

Signature: _____ Printed Name: _____ Title: _____ Date: _____
Signature Authority of Financial Accounts Held by Chartered Organization

Approved by:

Signature: _____ Printed Name: _____ Title: _____ Date: _____
Texas A&M AgriLife Extension Service Representative

ALL SIGNATURES ARE REQUIRED BEFORE SUBMITTING ONLINE

TEXAS 4-H ANNUAL CLUB/GROUP FINANCIAL REVIEW

Review Of Year: 2019-2020



All 4-H clubs or groups with a bank account under the Texas 4-H Inc 501c3 umbrella, must complete an annual financial review in order to maintain their charter status. This form should be completed and submitted to the County Extension Office during the chartering process. This annual review should be based on the past twelve-months at time of review because of the chartering timeline. Members of the review team should be adults knowledgeable of basic bookkeeping/banking skills and NOT be affiliated with the club/group or county Extension office.

Club Name:	EIN:
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ACCOUNT INFORMATION

BANK ACCOUNT #1	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Other	Bank Name:
	Signers On Account:	Balance at the time of Review: \$
BANK ACCOUNT #2	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Other	Bank Name:
	Signers On Account:	Balance at the time of Review: \$
BANK ACCOUNT #3	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Other	Bank Name:
	Signers On Account:	Balance at the time of Review: \$

The signers on the account(s) above must be from two different families.

Is there a debit card associated with this club/group? <input type="checkbox"/> NO If yes, who has possession of it? _____ <input type="checkbox"/> YES	List Online Payment Systems (i.e. PayPal, Eventbrite, Bloom, etc.) being used and the email address associated with them:
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FINANCIAL REVIEW

List any expenses without receipts and/or any receipts that raise questions/concerns. (Include additional pages if needed.)

Date	Check #/Debit Card Entry	Payee	Expense (List Item)	Reason/Concern

Comments or Suggestions for Improvement:

CERTIFICATION

We, the undersigned, have examined the financial records of the above named club/group and found them to be:

- Select One:** IN ORDER
 NOT IN ORDER
 IN ORDER, BUT IN NEED OF BETTER ORGANIZATION OR RECORD KEEPING.

Reviewer's Printed Name	Occupation or Title	Signature	Review Date
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1 _____	_____	_____	_____
2 _____	_____	_____	_____

Reviewers cannot be associated with this club or any Extension Office. (The club manager cannot be a reviewer.)

EXTENSION AGENT REVIEW & CERTIFICATION

I, the undersigned, Extension Agent have reviewed this financial review of the above mentioned 4-H club/group and certify that all concerns and recommendations have been addressed, and the club/group is following sound financial practices to continue being chartered as part of Texas 4-H.

Printed Name	Title	Signature	Date
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ALL SIGNATURES ARE REQUIRED IN ALL SECTIONS BEFORE SUBMITTING ONLINE



<p>The form is to be used by the County Extension Office when a 4-H Club/Group charter is revoked or requests to disband.</p>
<p>Club Name:</p>
<p>County:</p>
<p>EIN:</p>
<p>Name of Current Club Manager:</p>
<p>Date of Disbandment:</p>
<p>Reason for Disbandment:</p>
<p>Disbandment Procedures:</p> <ol style="list-style-type: none"> 1. If disbandment of club/group is voluntary, club manager needs to provide official letter or email requesting the disbandment. If disbandment is due to revocation of charter, the County Extension Agent will provide a summary explanation letter. 2. Once letter/documentation is received, the County Extension Agent will provide notification to club manager in writing requesting the following be provided to the County Extension Office within ten (10) working days: <ol style="list-style-type: none"> a. Copy of last three bank statements. b. Letter from financial institution(s) verifying the closure of all accounts. c. Cashier's check of all residual funds made payable to the 4-H Club/Group indicated in bylaws. d. List of all club/group assets and the location of each asset. Based on the list of assets, the County Extension Agent should develop a plan to transfer all assets to the club/group indicated in the bylaws. Transfer should include the verification by the County Extension Agent or receiving club/group of the existence of all assets. e. Transfer of all club information including minutes, historical files, and/or any other documentation of the club/group. 3. Club/Group will be required to file a IRS 990 in the Fall of the current year in order to adhere to IRS guidelines. Upon filing of the IRS 990 and providing confirmation of such filing, the club/group will official be disbanded. When submitting make sure person completing form indicates that the filing is the last filing for the club. 4. County Extension Office is required to maintain all records for the 4-H club/group in central files for at least three (3) years. 5. Upon closure of club provide a copy of this form to the Texas 4-H Office, via email or fax, in order for club to be removed from Texas 4-H Inc.

TEXAS 4-H CLUB/GROUP BYLAW REQUIREMENTS

Sample bylaws can be found online at: <https://texas4-h.tamu.edu/management/>

The name of the club must appear at the top of the bylaws and be worded the same on all paperwork!

These two sections cannot be edited or altered.

You can add to these sections.



This shall be a nonprofit organization exclusively for the purpose of promoting 4-H Club work.

The objectives of this organization shall be:



- i. To provide learning situations for the development of leadership, responsibility, and effective citizenship.
- ii. To provide educational and challenging experiences that will enable young people to become knowledgeable and skilled in their selected project areas.
- iii. To provide information and training in other 4-H activities as members' interests dictate
- iv. To help each member experience personal growth and achievement, as well as be of service to others.

FISCAL ACCOUNTABILITY



The 4-H club/group shall adhere to all guidelines related to financial accountability as outlined in the Texas 4-H Youth Development 4-H Club Financial Management Rules and Guidelines.

CLUB DISBANDMENT



Upon the disbandment of the club, all real property, including money, equipment and land shall become the property of the County 4-H Program for care and disposition and authorizes the Texas A&M Agrilife Extension Service and county extension agent(s) full rights to access bank records, bank funds, and all other banking authority. This also applies to all inventory and assets acquired by and or owed by this organization.

The last official duty of the club's manager shall be to affect the transfer of club property and to turn over club records to the county Extension Agent or other extension designees.

AMENDMENTS



These bylaws may be amended at any regular meeting of the club by a two-thirds vote of the members present, provided that the proposed amendments have been presented to the club in writing and filed with the secretary at the previous meeting of the club. Amendments must not conflict with the basic 4-H philosophy or the Texas 4-H Club/Group Charter Agreement. These amendments are effective upon the affirmative vote of the members present.

These three areas cannot be edited or altered.