



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 request a letter with the club's 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 or 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.

## **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 must 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 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 4HOnline, no enrolled adult volunteers, not submitting requested paperwork in a timely fashion, lack of financial accountability, and not submitting a 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 4HOnline. This will allow County Extension Offices to access chartering information and Texas 4-H, Inc. determination letters.

## **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 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:**

for a 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, if 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 must 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 found online at: <https://texas4-h.tamu.edu/management/>.



THIS INFORMATION SHOULD BE TYPED IN ON 4HONLINE

## APPLICATION WORKSHEET

Login to the family account on 4HONLINE

Register an approved adult in the 2021-2022 Charter Application event.  
It is recommended to submit under a County Extension Office staff member.

Club Name:

EIN:

County:

Allow Members To Register: ☐ No  
☐ Yes

Maximum Enrollments:  
Leave blank if no limits

Application Type: ☐ Renew club charter for 2021-2022  
☐ Renew club charter - Inactive for 2021-2022  
☐ New club charter for 2021-2022

Club Type: ☐ Organized 4-H Community Club  
☐ Organized 4-H In-School Club  
☐ Organized 4-H After-School Club  
☐ Organized 4-H Military  
☐ Administrative Club

Affiliation: ☐ Texas A&M AgriLife Extension Service  
☐ Prairie View Cooperative Extension

Is there a bank account associated with this club? ☐ No  
☐ 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. ☐ No  
☐ 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. ☐ No  
☐ Yes

### DOCUMENTATION UPLOADED TOGETHER IN ONE PDF FILE

- ☐ **ALL CLUBS** - Charter Agreement
- ☐ **ALL CLUBS** - Bylaws with required statements -
- ☐ **CLUB WITH BANK ACCOUNT** - 2021 Bank Statement with club name, account number and bank name. Do not include cancelled checks.
- ☐ **CLUB WITH BANK ACCOUNT RENEWING CHARTER** - 2020-2021 4-H Year Financial Review for charter renewals
- ☐ **CLUB WITH EIN**: EIN Verification (Only if club or EIN is new)

All documents and forms can be found at: <https://texas4-h.tamu.edu/management/>

THIS INFORMATION SHOULD BE TYPED IN ON 4HONLINE



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 4H 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:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Use the 4-H program to further the purpose of 4-H.</li> <li>• Use the 4-H program to develop youth leadership, life skills, and service to community.</li> <li>• Conduct programs in accordance with Texas A&amp;M AgriLife Extension Service and Texas 4-H Youth Development Program rules and guidelines.</li> <li>• 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.</li> <li>• Use the 4-H name and emblem in accordance with 4-H policies, and 18 USC 707.</li> <li>• Be administered locally by the county 4-H office of the Texas A&amp;M AgriLife Extension Service.</li> <li>• Follow all rules and requirements of adult volunteer service to youth in accordance with Youth Protection Standards outlined by Texas A&amp;M AgriLife Extension Service.</li> <li>• Follow and abide by Texas 4-H Financial Management Guidelines.</li> </ul> | <ul style="list-style-type: none"> <li>• Follow and abide by all Texas 4-H Inc. chartering rules and requirements as outlined in the 2021-2022 Texas 4-H Chartering Instructions published by Texas A&amp;M AgriLife Extension Service, as it relates to: <ul style="list-style-type: none"> <li>◦ Charter Application</li> <li>◦ Charter Agreement</li> <li>◦ Bylaws or Standing Rules</li> <li>◦ Employer Identification Number</li> <li>◦ Banking and Financial Institutions</li> <li>◦ Financial Accountability &amp; Reporting</li> <li>◦ Other Club/Group Charter Requirements</li> </ul> </li> <li>• Secure adequate and appropriate meeting facilities for the club/group to facilitate the implementation of the 4-H program of this Chartered Organization.</li> <li>• 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.</li> </ul> |
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**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: 2020-2021



All 4-H clubs or groups with a bank account under the Texas 4-H Inc 501(c)(3) 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:

### 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? ☐ NO ☐ YES  
If yes, who has possession of it? \_\_\_\_\_

List Online Payment Systems (i.e. PayPal, Eventbrite, Bloom, etc.) being used and the email address associated with them:

### 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
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

**ALL SIGNATURES ARE REQUIRED IN ALL SECTIONS BEFORE SUBMITTING ONLINE**

**Attachment 1: Texas Club/Group Assets**

Please list all material assets that the 4-H club/group owns which has a value of more than \$50. Assets are any property the 4-H club/group owns and/or uses. These will vary based on each 4-H club/group. Example: a shooting sports club may own archery equipment whereas a livestock club may own scales for weighing projects. Because these items were purchased by (or donated to) the 4-H club/group, it's important to list and account for them along with any funds in the 4-H club/group treasury.

Please use the table below to list any assets. This information should be included with the Annual 4-H Club/Group Financial Review form.

[illegible]

# 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 other paperwork.**



Club Name

**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



**These three areas cannot be edited or altered.**



## ARTICLE VIII: 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.



## ARTICLE IX: 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.



## ARTICLE X: 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.