INSTRUCTIONS FOR ANNUAL FINANCIAL REPORTS
FOR AFFILIATED GROUPS

For all active clubs/groups with a private bank account, the following reports are to be completed, signed and dated, and sent to the county staff chair:

- Statement of Income and Expenses
- Statement of Financial Position
- Annual Group/Property Inventory Report
- Peer Review of Group Financial Records: Cover Sheet
- Peer Review of Group Financial Records: Report

Do not include any transactions going through the county depository or any other bank account. The purpose is to report only transactions going through the club’s/group’s private bank account.

Active clubs/groups without a private bank account are to write “no private account” on the Statement of Financial Position, list any assets valued at $500.00 or more, sign and date the form; and complete the Annual Group Property/Inventory Report with any assets valued at $500.00 or more (and ANY FIREARMS regardless of value, if applicable) as indicated in the directions below and send both forms to the county staff chair.

**STATEMENT OF INCOME AND EXPENSES:**

Check the box for the appropriate financial period.

- 4-H October 1st – September 30th
- Master Gardeners January 1st – December 31st

Enter your county name and club/group name.

**Income:** List a summary of income received during the financial reporting period by source and amount; enter the total. **Do not include the checking account balance as income.** This will be reported on the Statement of Financial Position.

**Expenses:** List a summary of expenses paid during the financial reporting period by source and amount; enter the total. Do not include asset (equipment) purchases if the item is valued at $500.00 or more as an expense. This will be reported on the Statement of Financial Position. However, inventory or equipment purchases of an item valued less than $500.00 is to be recorded as an expense.

**Net Income or Net Loss:** Subtract the total expenses from the total income and enter the difference as the Net Income or Net Loss. Carry forward the Net Income or Net Loss to the Statement of Financial Position, Current Year’s Net Income (as a positive number) or Net Loss (as a negative number).
STATEMENT OF FINANCIAL POSITION:

The Statement of Financial Position is a "snapshot" of the club’s/group’s financial position at a specific point in time, i.e., on the last day of the 12-month period.

Enter the appropriate year-end date. For 4-H clubs/groups, the date should be September 30th. For Master Gardeners, the date should be December 31st.

Enter your county name and club/group name.

Assets: Enter the ending checking account balance (which has been reconciled) plus any cash on hand on the last day of the financial reporting period. For 4-H clubs/groups, the date should be September 30th of the current year. For Master Gardeners, the date should be December 31st.

List any additional assets such as inventory/equipment, trailers, vehicles, or other assets only if the item is valued at $500.00 or more. Do not include items valued at less than $500.00 as an asset on this report.

Liabilities: List any accounts payable, installment payments, or accrued expenses to be paid at a later date and enter the total. Do not include expenses paid during the fiscal year and recorded on the Statement of Income and Expenses nor any outstanding checks. Liabilities should include only purchases made during the fiscal year but not paid by the end of the financial reporting period.

Most clubs will not have any liabilities. For example, if you purchased a vehicle and still owed payments on that vehicle, the balance of the payments still owed at the end of the financial reporting period would be a liability.

Net Assets: Beginning: Enter the beginning checking account balance (which has been reconciled), plus any cash on hand on the first day of the financial reporting period, plus any equipment valued at $500.00 or more which was purchased prior to that date.

For 4-H clubs/groups, the date should be October 1st of the previous year. For Master Gardeners, the date should be January 1st.

NOTE: For new clubs, the value is zero. For existing clubs, the value should be equal to the Net Assets-Ending from the previous year’s financial reporting period.

Current Year’s Net Increase or Net Loss: Enter the Net Increase (as a positive number) or Net Loss (as a negative number) from the Statement of Income and Expenses.

Net Assets – Ending: If you had a net increase for the financial reporting period, add the net increase to the Net Assets – Beginning and enter the total in Net Assets – Ending.

If you had a net loss for the financial reporting period, subtract the net loss from the Net Assets – Beginning and enter the difference in Net Assets – Ending.
**Total Liabilities and Net Assets:** Add Total Liabilities to Net Assets – Ending and enter the total in Total Liabilities and Net Assets. This amount should equal the Total Assets.

**Total Liabilities and Net Assets = Total Assets**

If you are using the Excel file, the calculations will be done for you.

The form is to be signed and dated by the club/group treasurer and president.

**ANNUAL GROUP PROPERTY/INVENTORY REPORT:**

Enter your county name.

Enter the appropriate year-end date.

List any equipment/inventory with a value greater than or equal to $500.00 AND any and all firearms (regardless of dollar value); include the date acquired; item description including the serial number; purchase or acquired price; storage location; and any notes.

**Do not include items valued less than $500.00 unless those items are firearms.**

Enter the total of all listed equipment/inventory items. Carry forward **ONLY** items valued at $500.00 or more to the Statement of Financial Position as Assets: Inventory/Equipment.

Enter your club/group name under the certification.

The form is to be signed and dated by the club/group treasurer and president.

**NOTE:** If your club/group does not have any equipment/inventory meeting the criteria above, write “no inventory” under Item Description, sign and date the form and send to the county staff chair.

**PEER REVIEW OF GROUP FINANCIAL RECORDS: COVER SHEET AND REPORT:**

Peer review of the group financial records must also be completed and sent to the Staff Chair with the end-of-year financial reports. It is important to check what financial records were reviewed at the top of the Peer Review Report.

Refer to the Financial Guidelines for Affiliated Groups regarding the guidelines for the peer review committee and instructions for completing the Peer Review Cover Sheet and the Peer Review Report as indicated below.
Review of Financial Records

1. Group Financial records must be reviewed annually by one of the following methods:
   - Peer review – use UACES-provided forms
   - Independent certified public accountant
2. Groups with annual revenue greater than $50,000 should contact the CFO of UACES to determine if an independent audit is required.

Peer Review of Group Financial Record: Guidelines for Committee

The peer review committee should be composed of at least two members. The purpose is to review the accounting records and financial statements prepared by the treasurer for accuracy and reasonableness. Committee members should not include the treasurer, anyone related to the treasurer or anyone who signs checks, approves expenditures or is involved in any way in the financial affairs of the group.

Annual procedures for peer review committee at end of program year:

1. Check each month’s reconciled bank statement and canceled checks. Make sure the ledger postings are current and complete.
2. Examine all voided checks. If a voided check is not on file, verify that the check has not cleared the bank.
3. Total all funds received. Verify that cash receipts were written and that funds received were listed on the ledger reports.
4. Total all deposits made to the bank account. This total should equal the total of all funds received.
5. Total all expenditures. Verify that a written bill is on file for each expenditure. Verify all expenditures were paid by check, not in cash.
6. Examine the Annual Group Financial Report. Verify that the amounts listed agree with the amounts in the treasurer’s ledger reports, the total in the check register and the bank statements.
7. The treasurer’s total balance at the beginning of the year plus all funds received, minus all expenditures, must equal the treasurer’s total balance at the end of the year.
8. Examine the Annual Group Property/Inventory Report and make sure that all property/equipment has been properly accounted for and documented. A letter or receipt should be on file for each gift received, documenting donor, date, value and any restrictions placed on the donation by the donor.
9. Review prior year’s report and determine if appropriate follow up actions were taken.
10. Complete forms and send to the Staff Chair at the County Extension Office in a timely manner. The Staff Chair will review all forms and send to UACES Associate Director For Finance and Administration within 90 days of the financial year end.

- Peer Review of Group Financial Records: Cover Sheet
- Peer Review of Group Financial Records: Report

WHERE TO SEND: Clubs/groups are to complete and sign the financial report forms within a reasonable amount of time after the financial year end and send to the Staff Chair at the county Extension Office for review.

The staff chair will send the reports to the Associate Director for Finance and Administration, University of Arkansas – Division of Agriculture, Cooperative Extension Service, 2301 South University Avenue, Little Rock, AR 72204, within 90 days of the end of the financial reporting period.