

Purpose: This FAQ provides answers to questions about 4-H banking policies in the 4-H Youth Development Program (YDP) and assist in policy implementation and interpretation.

1. Why is the county office the address of record?

Listing the UCCE county office as the address of record serves several purposes: 1) it provides better responses to UC Internal Audit No. 01A002 which concluded that UC financial control over 4-H financial accounts was insufficient, 2) eliminates the risk of disclosure of an employees' financial and private information and 3) reduces the risk of treasurer/adult volunteer fraud and/or poor financial practices through a monthly rather than annual review of accounts, allowing UC to act on any questionable activity much earlier than is now possible.

2. What are the advantages to this banking policy?

The advantages are:

- *4-H bank accounts have UC 4-H YDP staff oversight.*
- *Allows 4-H YDP staff to verify that deposits are being made in a timely way.*
- *Affords greater efficiency with respect to changes in 4-H club officers and 4-H adult volunteers, for example, a unit's treasurer may change, but often the bank is not informed in a timely manner. However, the UCCE county office is usually aware of such changes and can ensure that the statement is forwarded to the correct address.*
- *Provides the UCCE county office with any direct correspondence from the bank concerning the accounts.*

3. Does this change apply to all 4-H units and VMOs or only those with \$1,500.00 or more?

Implementation applies to all 4-H financial accounts regardless of the financial assets.

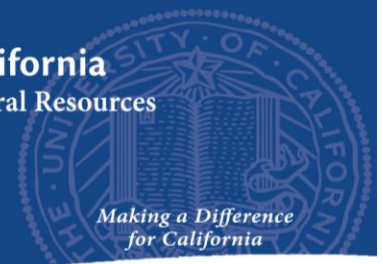
4. What if a unit or VMO does not comply with these changes?

A 4-H unit or VMO can be disbanded for not complying with the financial policies of the UC 4-H YDP and the bank accounts will be closed and funds held in escrow by the county 4-H VMO.

5. What does the monthly review process require?

The review process includes:





- a. Receipt of 4-H Unit/VMO Bank Statements - For all 4-H financial accounts, the monthly statement should be mailed directly from the bank to the county 4-H YDP office (as opposed to the unit/VMO treasurer).
- b. Forward the Bank Statement to the 4-H Unit/VMO - The bank statement should be copied and forwarded immediately to the unit/VMO treasurer.
- c. Review of Statement - The county director or designee will be required to review the monthly banking statement in search of “red flags.” “Red flags” include such things as payments that do not seem to relate to the annual budget and/or program, payments that are unusually large, payments to a signatory on the account and so on. (See the [Reviewing 4-H Unit and VMO Monthly Bank Statements Checklist](#)).

When the review is complete, the reviewer will initial the bank statement, complete the Monthly 4-H Bank Statement Verification Form, give the verification form to the county director and file the monthly bank statements in secured storage at the UCCE county office. The responsibility for review of the disbursements may be delegated by the CD to any appropriate **paid staff** member per the county director’s judgment.

6. What if an irregularity is found during the review?

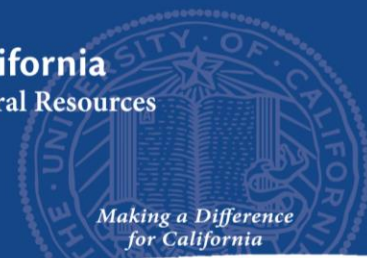
The 4-H YDP staff member responsible for bank account reviews must immediately report any irregularities to the county director. At the discretion of the county director, the matter could be pursued with the 4-H member and adult volunteer. Upon request of the county director, both the State 4-H Office and the ANR Controller’s office would be available to assist the county director. The county director may quickly access support by contacting the State 4-H Office directly. The State 4-H Office may request support from the Controller’s office as needed.

7. Can the county director designate a clerical or support staff to complete the monthly reviews?

The county director should determine appropriate processes and involvement of 4-H YDP and support staff and the roles for each. The responsibility for review of the banking account statements may be delegated by the county director to any appropriate **paid** staff member per the county director’s judgment. (4-H adult volunteers cannot be the reviewer of the statements).

8. What if a 4-H account needs to be closed or 4-H signatories removed?





A standardized letter (pre-approved by UC General Counsel) is available in the very rare event that a county director may have to assume control of, and/or close a 4-H bank account. This letter will confirm for the bank that UC, as represented by the county director, has legal authority over the funds and should be given access to the account. Closure of a unit or VMO account would be an interim action, to be followed by the establishment of a new unit account as quickly as feasible.

Should the county director encounter any difficulty with the bank in such a situation, the county director should contact the State 4-H Office who will involve the Controller's if needed. In cooperation with the State 4-H Office, the Controller's office works with UCOP's Financial Management department, as well as the Office of the General Counsel to provide support to the county director and facilitate the bank's agreement to the county director's request.

Refer to support materials:

- *Sample Letter – Authorizing Use of Name and Emblem by Non-4-H Entity*
- *Sample Letter – Removing Adult Volunteer as Signatory to 4-H Unit/VMO Bank Account*
- *Sample Letter – CD Requesting Bank Account Signatory Change*
- *Sample Letter – Bank Acct Closing - CD Requesting Funds to VMO*

9. How will the county director or 4-H YDP staff access 4-H bank account information if there are no UC signatories on the account?

The county director should contact the bank and request the needed information indicating the UCCE county office is the address of record for the bank account and the EIN. If this is not successful then contact the State 4-H Office who will work with the ANR Controller's office to obtain access to the account.

10. How long do we need to keep the banking records?

Counties are responsible for retaining all 4-H unit and VMO peer reviews, budgets, inventories, annual financial statements and bank statements for 5 years. In addition counties should retain a permanent master list of all 4-H unit and VMO EIN numbers.

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