



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 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 and 4-H Clubs/Groups

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.

Exempt from 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 (<https://texas4-h.tamu.edu/management/>).




TIMELINE FOR INFORMATION DISTRIBUTION AND CHARTERING

March	Release of Texas 4-H Chartering Instructions.
March- 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 15	County office or club manager completes charter application process.
July 15	Application deadline for county office review and approval for an August 15 club activation.
July 16 - August 12	State 4-H Office reviews club charter application and support documentation.
August 13-14	4-H Connect is offline for annual maintenance.
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 28	Last day to submit a club/group 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

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 found online at: <https://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 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 Management

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.

Club Contact and Meeting Information

The County Extension Office will need to enter the club contact and meeting information on 4HConnect. Instructions: Log into a 4-H Connect County Manager Account, click on the Enrollment tab, click on the the Clubs Icon, click the edit button to the right of the club name, update the information, scroll to bottom and click to save changes.