

The Michigan 4-H Participation Fee

*Beginning with the 2006-7 program year, the Michigan State University Extension 4-H Youth Development program has asked **youth** participants to pay an annual \$10 participation fee to support the development, implementation and maintenance of new or updated 4-H programs.*

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Why a Fee?

Why has MSU Extension (MSUE) implemented an annual youth participation fee for 4-H?

For 100 years, Michigan 4-H has offered youth a breadth of program options that reflect both traditional areas of interest (such as livestock, crafts and food-related topics) and emerging areas of interest (such as computers and technology, communications and entrepreneurship). Declining levels of funding for MSUE from the State of Michigan and from many county governments has made it increasingly difficult to continue offering both the quality and quantity of programs Michigan's youth expect, deserve and need from 4-H. In order to maintain the quality, depth and *relevance* of 4-H programming in Michigan, several options for making up the funding deficit were explored. Charging a small, annual youth participation fee emerged as the best solution.

What other funding options were explored?

MSUE looked at increased fundraising at local, county, regional and state levels; an attempt by the legislature to provide increased funding directly to 4-H; reducing expenses; and charging a "per event" participation fee, in addition to the annual youth participation fee.

Why was the annual youth participation fee chosen?

MSUE always presents a strong case to the legislature for increased funding during each budget cycle and will continue to do so. However, given Michigan's tough financial position, we can't place all our eggs in that basket. Increased fundraising will also be pursued at all levels, but the outcome is uncertain and inconsistent. A "per event" fee could price many events out of reach for some participants and have a negative affect on event registrations. It also unfairly places the financial burden on fewer shoulders, rather than spreading the cost out among all 4-H youth participants.

It has become very common for parents to pay fees for their kids to participate in most community and school activities. In a survey of 4-H families, nearly 70 percent said they are

willing to pay at least \$10 or more as an annual youth participation for 4-H, and 85 percent said they were willing to pay at least something to have their child/children participate in 4-H. Nearly two-thirds of 4-H families responding to the survey preferred a one-time annual \$10 fee to increasing all 4-H event fees by 10 percent.

How was the decision made?

A statewide task force made up of 4-H staff members, volunteers and youth was created to gather as much input as possible. Input was sought in many ways, including electronic and hard-copy surveys of members and their families, volunteers, and state and county 4-H staff members. The task force analyzed the information and made a recommendation to the MSUE director in the spring of 2006.

In April 2006, one Michigan legislator proposed that \$300,000 be included in the state budget, specifically to support 4-H programming. A final decision on implementing the participation fee was delayed, pending the success or failure of the proposed \$300,000 in 4-H funding. The proposal for \$300,000 in 4-H funding failed to make the final budget in August 2006, and the MSUE leadership made a decision later that month to proceed with implementation of an annual 4-H youth participation fee.

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Implementation/Procedures

When did it go into effect?

September 1, 2006. Counties began collecting the fee with their 2006-7 enrollments and are including all youth in their 4-H clubs.

Are there additional fees throughout the year?

The state level annual 4-H youth participation is only charged once per year. Any other fees that have previously existed as part of the 4-H program continue to apply, as usual.

Does ten percent of the 4-H fee revenue go to support the director's office, as is the case with the organizational cost recovery fee?

No, all of the money collected through 4-H participation fees is used only for 4-H programming.

Can the 4-H Member & Volunteer Information Forms (enrollment forms) be adapted by individual counties?

The 4-H Member & Volunteer Information Forms, version 1 and version 2 (also known as "enrollment forms") provided on the fee page are adapted from Blue Ribbon and should be used as is to facilitate entry into Blue Ribbon. The club form is available on the fee page in both [pdf](#) and [Word](#) versions. The Word version may be modified for individual club use.

When should the state portion of the money be sent in? Do we need to wait for it to reconcile with our number of enrollments?

Counties should send in the state portion of the fees by no later than October 1 of the

program year. Money can be sent before that, and it can be broken into multiple payments, perhaps quarterly or twice a year—whatever works best for the county. Each payment should be accompanied by a [county form](#) that accounts for the fees being sent.

What about youth enrolled across two counties?

They pay the \$10 in their primary club, just as they do if they are enrolled in two clubs within the same county. Counties have to decide whether or not the number of youth enrolled in two counties is large enough to warrant the paperwork necessary to split the county portion of the fee in half (\$2.50 per county).

How is the participation fee handled when a youth transfers to a club in another county in the middle of the program year?

The fee is collected by and stays in the county in which the youth originally enrolled for the year. When enrollment opens for the next program year, the youth enrolls in their new county and the new county collects the fee. For instance, if a youth enrolled in Macomb County but transferred to Gladwin County halfway through the 2007-8 programming year, Macomb County receives and keeps that youth's enrollment fee for 2007-8. When the youth enrolls in Gladwin County for the 2008-9 year, Gladwin County will receive and keep that youth's enrollment fee.

Can individual clubs “apply” directly for the state portion of the funds?

At this time, the funds being collected at the state level are accessible through a proposal process for county, regional or state projects. These funds are requested by 4-H staff members, representing their constituencies. Clubs may have access to funds held in an account at the county level, depending on the system set up by each county.

When will counties be able to submit proposals to use the state-level funds?

County offices will be notified when sufficient funds have accumulated at the state level to begin the proposal process. A process and form for submitting proposals will also be available at that time.

How do leaders know the total amount of funds collected for the county and the amount being sent to the state 4-H office?

Counties and the state 4-H office will provide annual reports of funding received and how participation fee funds were spent during the year. These reports will be made available to any 4-H stakeholder—including volunteer leaders—who wants to see them, and will most likely be posted on the Web.

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Who Pays?

Is the fee for youth, volunteers or both?

This fee is only for youth participants.

Does every youth involved in 4-H in any way have to pay the fee, or only those in a club?

At this time, youth involved in clubs are charged the \$10 annual participation fee. Youth who are NOT currently members of a 4-H club are charged \$10 to attend a paid, multiple-day 4-H event, in addition to any normal registration fee. For instance, a teen who registers to attend Exploration Days and is not in a 4-H club is charged the normal registration fee, plus an additional \$10. When a non-4-H-club youth registers to attend a 4-H event and pays the \$10 fee, the county 4-H educator should take that opportunity to encourage the youth to enroll in 4-H, since paying the \$10 fee entitles that youth to all the benefits of 4-H enrollment.

As the fee program evolves, we will investigate the possibility of additional participation fees for youth involved in 4-H through schools and community partnerships, where fees are deemed appropriate.

How does the participation fee relate to youth in the REACT program, the Proud Equestrian Program (PEP) or other special projects?

Grants for grant-funded programs should be written to include a \$10 participant fee for those involved in the program. For PEP, the definition of “youth participant” includes mentally and/or physically challenged participants up to age 26. If the PEP participants are in a separate club, not hosted or supported by an outside granting entity, they are considered to be 4-H club members and pay the \$10 participant fee.

If an FFA member wants to participate in a 4-H junior livestock show/sale, does the fee need to be paid?

If the show/sale is a collaboration between FFA and 4-H, a youth involved only in FFA is not required to pay. If it is solely a 4-H event, the FFA member pays a \$10 fee in order to participate, if he or she is not also a 4-H member and if the event is for multiple days. Any youth not enrolled in 4-H who participates in a 4-H program and pays the \$10 fee is entitled to join 4-H (i.e., they’ve already paid the annual participation fee), and his/her family should be contacted by the county’s 4-H educator about the benefits of enrolling in 4-H.

If an event is free-of-charge to 4-H members, do non-4-H youth have to pay \$10 to attend the event?

No, such an event is free to all attendees.

If an event is co-sponsored by 4-H and a non-Extension organization, do youth who are not 4-H members have to pay \$10 on top of any existing event fee?

No, we do not charge a \$10 nonmember fee to attend events that are jointly offered by 4-H and other non-Extension organizations.

We have a 4-H club established in a facility where youth are incarcerated. Do they have to pay the fee?

We anticipate that youth within such a facility or program could find sponsorship or grant funding to cover the participant fee.

What about participants who live in counties with an Extension tax millage?

Youth participants are required to pay the participation fee. Participation in 4-H is an

opportunity for youth to become engaged in new and exciting projects. Millages that support Extension programs in the counties are there to pay for shortfalls, staff, overhead costs, etc. The 4-H program reaches youth, and the participation fee funds that are kept in the county are used to defray costs of new or enhanced programming for these youth.

Do children of 4-H volunteers pay the \$10 fee?

Yes. Our volunteers are the lifeblood of 4-H. Without them, new programs are just notebooks on shelves. We know 4-H volunteers often spend their own dollars (not to mention many hours) on resources for the youth they work with. With money available for programming from county offices, many volunteers may be able to reduce their own financial investment. And any youth who participates in 4-H—including children of 4-H volunteers—gets much, much more than \$10 worth of learning, participating, growing and sharing from the 4-H experience.

What about youth enrolled in both Michigan and Wisconsin?

They pay \$10 in their Michigan club for being involved in Michigan 4-H.

What about clubs that are financially supported by outside organizations, like ISDs, NRA, sportsmans groups, etc.?

As with any other 4-H club, the expectation is that \$10 per member gets submitted to the county office (or appropriate fee scholarships requested), whether members pay it individually, the supporting group pays it or some other method of fundraising is employed.

What about day camps/summer one-week camps, one-day activities?

Youth not enrolled in 4-H who only attend a one-day 4-H event are not charged the participation fee. Youth not enrolled in 4-H who attend a series of 4-H programs—like a summer day camp where they are involved for a number of days—have a \$10 fee added to any existing program fee. Any youth not enrolled in 4-H who participates in a 4-H program and pays the \$10 fee is entitled to join 4-H (i.e., they've already paid the annual participation fee) and his/her family should be contacted by the county's 4-H educator about the benefits of enrolling in 4-H.

Do Cloverbuds pay the same fee?

Yes. Showing at the county fair is only one piece of 4-H participation—and *not* the most important piece. 4-H is about discovering new things, ideas and interests; it's about learning what it means to be a good citizen and participate in community service; it's about helping kids make connections, explore their strengths and creativity, and make good choices. Cloverbuds get all that and more from 4-H, and gain as much in new programming resulting from the \$10 fee as any other 4-H participant.

Are youth leaders considered *youth* or *leaders*? Are they charged a \$10 participation fee?

Youth who are age 19 or under and are enrolled in 4-H pay the \$10 participation fee, regardless of whether or not they also act as volunteer teen leaders.

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How Much?

Is the fee per individual or per family?

Families with one youth participant pay \$10; families with two youth participants pay \$20 total; families with three *or more* youth participants pay an annual maximum of \$30 total.

What is the definition of a family?

In order for the family maximum to apply (see above), the youth in question must all be siblings.

Does everyone pay the same, regardless of project area?

All youth involved in clubs or attending 4-H events as non-club members pay the same \$10 annual participation fee, regardless of the projects in which they are involved.

Does the fee vary by county or region?

No, the *state level* annual youth participation fee of \$10 is the same throughout the state. If counties or clubs charge their own participation fees, these are in addition to the \$10 state-level fee.

Can a county charge more than \$10 and keep the additional money to use for ongoing programming?

Yes, so long as \$5 is sent to the state and \$5 of what is kept in the county is used for new and/or improved 4-H programming.

Can a county choose to collect only the 4-H state office portion of the fee (\$5) instead of the entire \$10?

No, although the county could choose to cover \$5 of the fee on behalf of the youth participant, through fundraising, sponsorship or their 4-H council. However, the portion covered by the county must go into the county's "fee" fund, and those dollars must be used to develop, implement and/or update 4-H programming.

Will there be increases every year? Is the fee being phased in?

The fee is not being phased in, and we don't anticipate fee increases every year. There may be a need at some time in the future to increase the fee, but the \$10 annual fee should not increase for at least the next several years.

If a youth joins partway through the year, is the fee prorated?

No. The annual participation fee covers one 4-H programming year, which runs from September 1 to August 31. The fee is the same no matter when the youth joins during the year.

If an enrolled 4-H participant doesn't complete his/her project or chooses not to participate after paying the fee, do they get a refund?

No, 4-H does not issue refunds for non-participation.

If a youth enrolls without paying the participation fee up front and then later decides not to participate, is the club or county still obligated to cover their fee since their enrollment will show up in Blue Ribbon?

Yes, the fee should either be collected or accounted for through a fee scholarship. Preferably, the fee would be collected at the time of enrollment.

What about school enrichment clubs? What type of fee are they charged? How about after school clubs?

We are still finalizing plans for how the participation fee will be implemented for these types of programs. Rather than charge individual participants in these programs an individual fee, these types of clubs will most likely be charged a flat participation fee for the year. The amount has not yet been determined. Until these plans are finalized, counties should proceed as they have in the past. Fees will not be charged retroactively to school-based programs that have already been arranged.

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Fee Scholarships

What if a family can't afford the fee?

4-H will not turn away any youth who wants to participate in 4-H for whom the fee presents a financial burden. Based on recommendations from club leadership, county 4-H educators determine which youth are eligible to have the fee covered by a scholarship. Eligibility for free or reduced school lunch might be one guideline used in determining who receives a fee scholarship.

When families with three or more youth participants request a fee scholarship, does the county need to provide \$10 scholarships for each youth participant or a \$30 scholarship for the family?

The county provides a \$30 scholarship for the family, which covers the out-of-pocket maximum of \$30 per family for 4-H annual participation.

Is there blanket criteria for the scholarship funds?

No, each county sets their own criteria for granting fee scholarships.

How can we obtain the free or reduced lunch documentation?

Free or reduced lunch information is gathered by school districts and is confidential. If your county bases receipt of fee scholarships on eligibility for free or reduced lunch, use [version 2 of the enrollment form](#) (4-H Member & Volunteer Information Form, version 2) and simply ask enrolling participants to check the appropriate line in the fee box on the form if they are eligible for free or reduced lunch.

Is documentation needed for each fee that is supported by a scholarship?

On your [county form](#), indicate the number of youth eligible for a fee scholarship based on whatever method of eligibility used in your county. You are not required to provide individual documentation for each participant granted a fee scholarship. However, counties

with unusually high fee scholarship numbers may have their fee scholarship procedures reviewed by someone from the state 4-H office.

Are there guidelines to determine eligibility for fee scholarships?

Each county sets their own guidelines. Some choose to use free/reduced lunch eligibility as their guideline, others have families request a fee scholarship, still others rely on club leaders to recommend families for fee scholarships. Some counties use a combination of these approaches or have something entirely different. Whatever method a county chooses should be as noninvasive as possible for the comfort and privacy of our 4-H families.

Where can the county obtain funds to cover the scholarships?

There are many options. Counties may look at fundraising or sponsorship at both the club and county levels. Local businesses or service organizations such as Rotary, Kiwanis or Lions Clubs may offer scholarships if approached. Counties may find opportunities to apply for grants from local, state and even national sources. Clubs may decide to hold car washes, bake sales, rummage sales, etc. in order to cover fees for all club members. Some counties may receive funds from their 4-H council. Be creative and share your successful ideas with other counties! If all efforts to raise the money at the county level are unsuccessful, counties may apply to the 4-H Foundation or the state 4-H office for some financial assistance for fee scholarships.

Is there a procedure counties follow to raise the funds to cover fee scholarships?

Counties first try to raise the funds locally, through sponsors, fundraisers, grants and donations. If additional funds are needed, the county contacts the 4-H Foundation next. If the amount needed for fee scholarships exceeds what can be raised locally and covered by the 4-H Foundation, only then do counties contact Cheri Booth at the state 4-H office to talk about additional ways to cover fee scholarships.

What if a youth doesn't enroll because his/her family is reluctant to ask for a scholarship?

First, every effort is made to ensure that all families know that no child will be turned away from 4-H because of inability to pay the participation fee. Second, information about who has requested, is eligible for or has received a fee scholarship is kept confidential. Third, the process by which a county determines fee scholarship eligibility is as discreet and noninvasive as possible. When those three steps have been taken and a family is still hesitant about enrolling, the club leader or the Extension 4-H educator may choose to offer the family a fee scholarship. The 4-H educator or club leader may look for ways to involve the family in volunteer projects so that they feel they have made a significant contribution to their child's 4-H club.

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Use of Fee Dollars

What is the fee used for?

The fee is used to develop and implement new 4-H programming and update existing 4-H programming. Out of each \$10 fee, \$5 remains in the originating county and \$5 is sent to the state 4-H office on the MSU campus. 4-H staff members write proposals and submit them to the state 4-H office to make use of the state office's portion of the funds. ***The dollars accumulate in that fund and are only expended to finance successful proposals for new or updated 4-H programming.*** Examples of how the money might be used include:

- ❖ Purchasing or developing materials for brand new program areas, such as “e” communications or bio products.
- ❖ Updating existing program materials to reflect the latest research, such as new animal science practices, new nutrition information (i.e. Food Pyramid) or new plant growth techniques.
- ❖ Improving/expanding programs that build life skills in communications, citizenship, leadership and decision-making.

What can counties use their portion of the fee for?

The basic rule for use of funds generated by the fee is that they must be spent to support new programming or upgrades/updates/expansions of existing programs. Some examples include:

- ❖ Purchasing or developing materials for brand new program areas
- ❖ Purchasing newly revised curriculums for use within the county
- ❖ Purchasing existing curriculums that haven't previously been used in that county
- ❖ Updating existing program materials to include new research, practices, etc.
- ❖ Improving established programs at the local level
- ❖ Taking programs to new audiences within the community and/or assisting in new club formation
- ❖ Hiring a temporary worker who will only work on an allowable program for a specified period of time (no longer than two years) doing specific tasks

Examples of things that the fee *cannot* be used for include:

- ❖ Newsletters, unless this is the first time that your county has used newsletters as a source of providing information or the newsletter is being significantly expanded, revamped or offered in a different format (i.e., on the Web for the first time or in print for the first time)
- ❖ Paying the insurance fee for participants
- ❖ Covering the cost of youth show expenses
- ❖ Individual clubs will not be given the \$5 per member

Can the money be used for MATCH?

The money may be used for MATCH if the person is hired for a specific new or improved program, doing specific tasks for that program, and the position is not funded for more than two years by dollars generated by the participation fee. However, counties should think carefully about all of the outcomes, current and future, that might arise from using participation fees in this manner.

Can the money be used for salaries?

Only as previously described (i.e., a position directly tied to a new/updated program that

does not last beyond two years maximum). The intent of the fee is to make a lasting investment in 4-H, which is best done through program development. 4-H families are most likely to accept the fee if they see something concrete being created with their dollars. Money spent on salaries is often a target for dissatisfaction and resentment and could be a catalyst for controversy regarding the participation fee.

Who decides how the local money is spent?

The state 4-H office has offered guidelines and examples for appropriate use of fee dollars at the county level. Within those broad guidelines, counties have a variety of ways for determining how the money is spent and who makes the decision. Clubs could “apply” for the funds for special projects/purchases; or the 4-H educator could decide on the best use for funds, perhaps with input from the county Extension director and/or their 4-H council; or a county’s 4-H council may make the decision. Each county’s process could be different.

Can the county’s portion of 4-H fee dollars be used to pay Extension’s program cost recovery fee (PREF) if money from the county was previously used for new 4-H programs or enhancement to existing programs?

No, all money raised from 4-H participation fees at either the county or state level may only be used to fund the development or purchase of new or improved 4-H programming.

Is there a system or mechanism in place to determine the full extent of how county funds may be used?

If there is uncertainty about a possible use for county funds, counties propose uses for the funds, which the state office evaluates on a case-by-case basis. As the list of examples of acceptable (and unacceptable) uses grows, we will provide all counties with an expanding list of examples that should help everyone make good choices for using the county portion of the fee dollars.

Will counties be required to submit an outline or plan for how they anticipate using the funds?

No, but if a county is unsure of whether or not a proposed expense may be paid for out of participation fee funds, they should ask the state office. Counties need to submit a report of how the money was spent at the end of each program year.

Can the money be used to promote 4-H in the local area?

If the promotion is for a new program or an upgraded/updated/expanded existing program and is of short duration (i.e., used for the program start-up), fee funds may be used.

Can we give money to clubs to use in their programs and for curriculum purchases?

Yes, as long as what they are purchasing meets the basic rule: funds generated by the fee must be used to support new programming or upgrades/updates/expansions of existing programs.

Can we offer clubs the opportunity to apply for mini-grants from this fund? Are there any guidelines for deciding who receives them?

Yes, allowing clubs to apply for mini-grants could be part of your county’s process for spending the fund. Each county determines its own set of guidelines for deciding how to

award the money.

Does any of the fee automatically come back to clubs?

No, not automatically. The fee is specifically to develop programming, which is something done at the state 4-H office and in county Extension offices. These programming improvements benefit all 4-H participants and take into account local plans and needs. Money raised by other organizations such as Girl Scouts and Boy Scouts are similarly distributed to regional, state and even national levels, rather than at the club level. Depending on how counties choose to use their funds, clubs may have the opportunity to apply to the county for mini-grants that could be used to support new or updated programming. The [parent flier](#) should be used with parents to help them understand the new 4-H fee, and the [club leader flier](#) should be used with volunteer leaders.

Can some of the funds be used to pay back Council for things they have covered?

Under some circumstances, yes. Let's say your county decides that some of the fee dollars will be spent to acquire curriculum for a 4-H program not previously offered in your county. Since all of the fee dollars in your county may not be collected until later in this programming year, the decision is made to "borrow" money from the Council to make the purchase now, with the stipulation that the money will be paid back when sufficient funds from collected fees have accumulated. Under those circumstances (i.e., a *planned* purchase made *this* programming year for *new* programming), county fee funds could be used for that reimbursement. However, the fee could *not* be used to reimburse the Council for anything purchased in previous program years, nor for items that weren't purchased with the intent of being covered by the county's portion of the fee. Obviously, it could also *not* be used to cover expenses that don't meet the basic rule for spending the fee (see above).

Can participation fee funds be used to purchase equipment?

Only equipment that is directly related to new or upgraded/updated/expanded existing programming may be purchased using money from the participation fees.

Is it possible to use part of the county funds to support existing programs, not just new or restructured programs?

The purpose of the county fund is to enhance and strengthen the programs within the county. These funds could be used for an existing program if there is something different about the program. The funds are not meant to offset anything that the county is currently doing or funding. Keep in mind that programs might have updates or additions, or might reach out to new audiences or locations in the county. These would be a viable use of the funds for the current year.

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Managing the Money

How is the fee collected?

Clubs/counties have a number of options:

- ❖ The club leader collects the fee from families at the time of youth enrollment in a 4-H club.
- ❖ The club leader collects the fee from families of youth in the club at a time other than during enrollment.
- ❖ The club undertakes a fundraising event or finds a sponsor to cover all or part of the participation fee for all or part of its club members.
- ❖ The county undertakes a fundraising event or finds a sponsor to cover all or part of the participation fee for all or part of the county's youth members.
- ❖ The county's 4-H Council covers all or part of the participation fee for all or part of the county's youth members.
- ❖ Some combination of the above.

The [Blue Ribbon enrollment form](#) (4-H Member & Volunteer Information Form, version 1) has been modified to include a check-off box for fee payment and a box to indicate if the fee is being covered by a scholarship; a [second version](#) also adds a box for indicating eligibility for free or reduced lunch. If clubs collect the fee or engage in fundraising or sponsorship to raise the fee, the club leader sends the money to their county office by no later than September 1 for the program year that just ended on August 31. County offices must send the 4-H state office portion of the fee to the state office by no later than October 1 for the previous program year. Clubs/counties may send the money earlier, either in one lump sum or in a series of payments. Counties should do what works best in their county.

Where should these fees be deposited, in the county office or with the County Leaders Council/Advisory Group?

This decision is up to the local county unit. For some counties, it may make more sense to have the funds in one or the other of the structures for ease of collection, tracking and accountability and for disbursement for programming. Accounting practices will be the same for either.

Who manages the fund, the Council or the MSUE office?

Depends on the county. There are many different arrangements throughout Michigan, and each county has to involve all appropriate parties (Council, MSUE, county officials, etc.) to decide how the fund is managed.

Can the 4-H Extension Advisory Committee manage the county's portion of participation fees?

Yes, if your county decides that is the best way to handle the funds.

Is it possible to put the money in an interest-bearing account or invest it in a six-month CD until it needs to go to the state office?

Yes.

If the money is put into a CD or interest-bearing account, can the interest earned on that CD be used to pay for fee scholarships?

Yes.

Who keeps track of who has paid and who hasn't?

Club leaders keep track of which of their members have paid (see the [club form](#) and [club form instruction sheet](#)). Counties track and report how many participant fees are included when money is sent to the state office, and how many participants have qualified for a fee scholarship (see the [county form](#)).

Does the annual fee need to be used on programming each year or can it be saved to be used in future years?

The money may be rolled over from year to year, but the intent of the fund is that it be used to address real programming issues in each county. However, counties may *purposefully* choose to save a portion of the dollars to address a long-term programming goal. This is not a case of “use it or lose it.”

Our county 4-H Council is collecting the participation fees in my county. We do several large fund raisers to support programming and are afraid the participant fee will put us over the \$25,000 mark and require us to begin filing an IRS Form 990. How do we handle this?

Your council can open a separate account for the participation fees and request a unique EIN number for that account. This account can still be managed by the council, but this approach will help you keep track of dollars that come in from participation fees, payments made to campus and how the county portion of these dollars have been used each year. This approach will also eliminate the possibility that you will exceed the \$25,000 threshold in three years, due to participation fee payments. If you need information on requesting EIN's for groups, please check the [4-H Treasurer's Record book](#).

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Accountability

What type of a report/documentation is needed at the end of the year related to the local funds?

Counties need to submit one or multiple [county forms](#) accounting for their youth participants by October 1 for the previous program year. The number of youth accounted for on each form(s) should be validated by your Blue Ribbon numbers. Counties are also required to submit a report of how they spent their participation fee dollars. A format for that report has not yet been developed, but when it becomes available, it will be posted on the [fee page](#) on the [4-H Web site](#), and county offices will be notified by e-mail.

How do counties know how the state 4-H office is using its portion of participation fee dollars?

As with counties, the state 4-H office must submit a report each year detailing how the state office portion of the fee has been spent. The report will be available to all 4-H stakeholders and will likely be posted online.

Does anyone reconcile the county annual report along with the money sent in to the state office?

As Blue Ribbon reports are submitted, the state 4-H office compares enrollment numbers with the participation fees collected or subsidized.

How can we track payment on the Blue Ribbon system?

The new Blue Ribbon enrollment forms (4-H Member & Volunteer Information Forms, version 1 and version 2 provided on the [fee page](#)) have a check box for noting receipt of payment. Payment status can be entered into Blue Ribbon along with the rest of the information on the form.

Do we need to receipt each \$10.00?

In order to follow good accounting practices, the answer is yes. Counties/clubs have many options for providing receipts, from formal receipt books to computer-generated receipts to something as simple as a hand-written receipt on a slip of paper.

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Benefits

Is there a 4-H membership kit?

A membership kit of some kind was considered, but feedback from many families and volunteers indicates a preference to use participation fee dollars only for programming. A membership kit is no longer on the table at this time.

What does participation in 4-H give the recipients...what is the benefit?

How about confidence? Self-esteem? New skills? New friends? A strong sense of citizenship and community? Reinforcement of good values? Presentation and speaking skills? Exposure to numerous career options? New experiences? Caring mentors? Information on fitness and good nutrition? An understanding of responsibility? Encouragement to finish what you start? Recognition for success and hard work? Sounds like a bargain for \$10, doesn't it?

What are the benefits of having a participation fee?

The fee provides some substantial benefits, including:

- ❖ A small but real pool of money to work with that 4-H can always count on
- ❖ New educational materials, books, movies, on-line resources and more
- ❖ Strengthens the commitment from 4-H participants and their families—gives them more of a stake in their 4-H participation and more of an incentive to be involved
- ❖ Development of new programs that address current needs and anticipate future needs
- ❖ New curriculum we won't have to go out-of-state to get

How does this fee help 4-H deliver better programs for the public good?

MSU Extension has faced decreased funding for many years, resulting in staff cuts and very limited program development. Current curricula have gone without updating, and we have been unable to seriously look at programming needs throughout the state and create new programs to address those needs. Funds from the participation fee allows us to help *today's* Michigan youth gain the skills and knowledge they need to be successful in *tomorrow's* world,

keeping 4-H relevant. It's nice to be nostalgic, but without new program development, 4-H becomes obsolete.

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Methods of Getting the Fee

What is the definition of sponsorship?

You usually seek sponsorship from a specific individual, group or business. You approach them, often with a specific dollar figure in mind, and ask if they will be a sponsor.

Individuals, groups or businesses may sponsor a certain number of individual members by paying their participation fees; they may sponsor an entire club or even an entire county. A sponsor is often acknowledged for their generosity in various ways, including newsletters, press releases that may be picked up by the media, signs, etc.

What is the definition of fundraising?

Unlike sponsorship, fundraising is most often not targeted at a specific individual, group or business, but to the public in general. Fundraising could include selling goods or services or asking for donations.

What are some ideas for fundraising?

Car washes, bake sales, rummage sales, candy sales, craft sales, yard work, contests and drawings (check on local and state rules), meals (pancake breakfast, fish fry), events, walk-a-thons, rock-a-thons, dance-a-thons, collection jars for donations...the ideas are as varied and creative as our 4-H youth!

If a small surcharge were added to event fees to help provide 4-H youth participation fee scholarships, would this surcharge be subject to Extension's program cost recovery fee (i.e. PREF)?

If it is a 4-H event, it is not subject to Extension's program cost recovery fee (PREF) at all, neither the original event fee nor any surcharge added to help provide 4-H participation fee scholarships. If it is an Extension event that is not a 4-H event, the total event fee would be subject to Extension's program cost recovery formula, even if a portion of the event fee was earmarked for 4-H youth participation fee scholarships.

Can a club use funds from its treasury to pay for participation fees for all or some of its members?

Yes.

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Working with Stakeholders

What if a member won't pay the fee?

If a youth cannot pay the fee because it is a financial burden on his/her family, 4-H will find

a scholarship to cover the participation fee. However, if a family simply declines to pay the fee because they disagree with the idea of a 4-H participation fee, the county 4-H Extension educator should make every effort to help them see the value of 4-H and how much their child gets from being a part of 4-H. 4-H staff members and volunteers should point out that the cost is only 83 cents a month, and every penny of that money is going to improve 4-H programming. If a family still declines to pay the fee out of philosophical disagreement with the policy rather than financial need, regretfully, their child would not be allowed to enroll in 4-H.

Will the county cut support as a result of this fee?

We hope not, but each county office needs to educate county officials about the purpose of the funding and the need for it. County officials must understand that the funding is needed to replace dollars from many sources that have been lost over several years due to state and local budget cuts. Those losses have prevented 4-H from moving ahead with programs that meet today's needs, not yesterday's. To keep 4-H from becoming obsolete, we *must* be able to make investments in programming.

Is there a chance the legislature could reconsider the appropriation that was considered during the summer of 2006 and rescind the fee?

There is always a chance the legislature could consider funding for 4-H, but only MSU Extension can make a decision about rescinding the fee. Since there is no such proposal pending, it's unproductive to speculate about what might happen in the event of a new legislative proposal.

How do individual leaders have input into decisions about how the state 4-H office invests its portion of the fee dollars?

They contact their county 4-H educator, county Extension director or program leaders in the state office to share their ideas about new programming for Michigan's 4-H youth. These in-the-field volunteers are closer to our youth than anyone else in the 4-H program and provide valuable, insightful input to help the 4-H leadership make good decisions regarding program development. Programming decisions are also made with help from the seven Michigan 4-H program priority teams (science and technology; global and cultural awareness; citizenship, leadership and service; environmental and outdoor education; personal development; animal science; and health and well-being) and from the other educational support areas of 4-H. All of these teams consist of 4-H on- and off-campus staff members, volunteers and youth.

Can the participation fee be used as a write off on taxes?

No, because it is not a business expense (as union dues or membership in a professional association are), and it is not a charitable donation. It is a participation fee such as a parent might pay for their child to engage in sports, music, dance, etc. However, donations to the 4-H Foundation that are contributed specifically to fund participation fee scholarships are tax deductible.

If an outside organization or person wants to sponsor a 4-H club and pay that club's participation fees, could that be considered a charitable donation?

In order to qualify as a charitable donation (and therefore tax-deductible), the money must be given to the Michigan 4-H Foundation, 4-H's non-profit arm. Contact the [Michigan 4-H Foundation](#) at (517) 353-6692 or info@mi4hfdtn.org for more information.

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Miscellaneous

Will 4-H participation decrease as a result of this fee?

Results from the statewide survey conducted in January 2006 show that the majority of parents—nearly 70 percent—are willing to pay at least \$10 per year for their child to participate in 4-H; 85 percent said they were willing to pay some amount to keep 4-H in their children's lives. Families for which the fee would be a financial burden will be eligible for fee scholarships, so the fee won't be a barrier for them. Other states that have implemented an annual fee did not experience a reduction in 4-H participation. While it is impossible to predict the future, we are not expecting to see a large decline in participation due to the \$10 fee. Good communication from 4-H staff members and volunteers will go a long way toward retaining as many 4-H participants as possible (see the [parent](#) and [club leader](#) fliers).

Does the fee have an impact on the 4-H Foundation?

The 4-H Foundation is already raising funds to help cover fee scholarships, and it is finding that there are many people in Michigan, especially 4-H alums, who are very supportive and willing to provide financial assistance. Of course, the foundation will continue its major fund-raising efforts on behalf of 4-H as a whole.