

Year-End Financial Summary Report (YEFS) & Tax Filing

Training & Preparation Guide

PREPARE → COMPLETE → FILE & SUBMIT

Designed as a comprehensive source document for Extension Office training materials.

How to Use This Guide

This guide brings the annual Montana 4-H Year-End Financial Summary Report (YEFS), tax filing, and 1% fee processes into one training framework. It is intended primarily for Extension Offices.

Annual Deadlines

PREPARE

- October 1 — Begin entering and submitting YEFS information in monday.com.

COMPLETE

- January 15 — All YEFS reports and four required signatures must be completed in monday.com.

FILE & SUBMIT

- February 15 — All applicable 990-N e-Postcards, 990-EZ returns, and long-form 990 returns must be filed.
- March 1 — One combined county/reservation check for applicable 1% fees is due to the Montana 4-H Center.

Do not begin entering or submitting YEFS reports in monday.com before October 1.

PHASE 1: PREPARE | Before October 1

The Prepare phase is both an education^{al} period and a planning period. Before the reporting year begins, Extension Offices should understand the nonprofit and tax structure behind the process, educate their entities, review financial practices, confirm responsibilities, and make sure they are ready to use monday.com.

1. Understanding the Nonprofit Foundation

What is a nonprofit?

A nonprofit is a mission-driven organization rather than a profit-driven organization. Its resources support a public purpose, such as education, youth development, and community programming, and revenue is reinvested into the organization's programs and mission.

Why this matters for 4-H: funds must be used responsibly, records must be maintained, and financial transparency and accountability are important.

What is 501(c)(3) status?

501(c)(3) is an IRS tax classification for organizations operated for qualifying charitable, educational, scientific, and other exempt purposes. Montana 4-H entities operate within a 501(c)(3) structure through 4-H. This status can provide federal income tax exemption and may allow qualifying donations to be tax-deductible.

What does tax-exempt mean?

Tax-exempt status generally means the organization is exempt from federal income tax on activities related to its exempt purpose. Maintaining this status supports programming, funding opportunities, donor confidence, and eligibility for certain grants.

Tax-exempt does not mean tax-filing exempt. Annual IRS filing requirements still apply.

2. Understanding Montana 4-H's Structure

4-H is a national youth development program delivered through the Cooperative Extension system at land-grant universities. Cooperative Extension serves as a bridge between universities and their communities, bringing research, education, and resources to people across the state.

In Montana, Montana State University is the state's land-grant university and is home to MSU Extension and the Montana 4-H Center. The Montana 4-H Center provides statewide leadership and administration for the Montana 4-H program and works with Extension professionals serving Montana's counties and reservations.

The Montana 4-H Foundation is a separate, independently organized nonprofit organization that exists to help Montana 4-H youth by raising private funds, managing financial resources, and partnering with the MSU Extension/Montana 4-H Center for Youth Development to fund educational opportunities for Montana 4-H youth, volunteers, and staff. The Foundation holds the Group Exemption Number (GEN) used for Montana 4-H's group tax-exempt structure.

Financial Responsibility of Chartered Entities

All chartered Montana 4-H entities are expected to follow Montana 4-H financial policies, maintain transparent financial records, and complete required annual financial reporting.

In addition, entities receiving tax-exempt status through a Group Exemption Number (GEN) must meet the tax reporting and financial requirements associated with that GEN.

It is important to understand the difference:

- Chartering provides official recognition as a Montana 4-H entity and carries financial and organizational responsibilities as part of Montana 4-H.
- The GEN identifies the source of an entity's federal tax-exempt status and the tax reporting requirements associated with that group exemption.
- An entity's charter and GEN are connected, but they serve different purposes.

Together, the Montana 4-H Center and Montana 4-H Foundation support the chartering and organizational structure of local Montana 4-H entities. At the county and reservation level, these chartered organizations may include 4-H Clubs, Committees, Councils, and Foundations. They operate locally, but their chartering, financial oversight, and tax-exempt responsibilities are connected to the larger Montana 4-H structure.

The tax-exempt agreement explains that each land-grant university is responsible for developing protocols for maintaining the tax-exempt status of 4-H clubs and affiliated organizations in their state. It also recognizes the county or reservation Extension program as having authority and responsibility for the conduct and leadership of the local 4-H program.

- Chartering provides official recognition within 4-H.
- Chartered entities have financial and compliance responsibilities.
- The YEFS is part of the annual oversight and chartering process.
- Compliance responsibilities are shared across local entities, Extension Offices, and the State 4-H Office.

3. EINs, GENs & Why They Matter

Employer Identification Number (EIN)

An EIN is the federal tax identification number assigned to an organization. Entity bank accounts should use the organization's EIN rather than an individual's Social Security number. An individual's identifying information may be required by the IRS when applying for an EIN for identity verification.

Group Exemption Number (GEN)

A Group Exemption Number (GEN) provides an umbrella structure for organizations included under the group exemption. Groups included under a GEN must follow the fiduciary and reporting responsibilities associated with that group designation. Montana 4-H counties and reservations have two options for maintaining tax-exempt status, meeting fiduciary responsibilities, and reporting to the IRS:

Option 1 — Become part of a group exemption (GEN) held by the county or reservation 4-H Council or Foundation for the purposes of federal tax-exempt status and tax reporting. The GEN serves as the tax-exempt umbrella for the groups included under it. These groups remain chartered under Montana 4-H and are expected to follow Montana 4-H financial policies and reporting requirements.

Under Option 1, the county/reservation is responsible for its GEN structure and tax reporting responsibilities. Entities continue to submit an annual YEFS to their respective county or reservation Extension Office. Extension Office's are responsible for filing all their entities' taxes.

Option 2 — Become part of the group exemption (GEN) held by the Montana 4-H Foundation for the purposes of federal tax-exempt status and tax reporting. The Montana 4-H Foundation serves as the tax-exempt umbrella for the groups included under its GEN. These groups remain chartered under Montana 4-H and are expected to follow Montana 4-H financial policies and reporting requirements.

Under Option 2, the Montana 4-H Foundation serves as the central organization holding the statewide group exemption for participating subordinate organizations. Entities continue to submit an annual YEFS to their respective county or reservation Extension Office and are subject to the annual 1% fee described in this guide. The Montana 4-H Center files all 990 e-postcards.

4. Understanding Form 990

Form 990 is the IRS annual information return used by tax-exempt organizations. Depending on the organization's financial activity, the filing may be a 990-N e-Postcard, Form 990-EZ, or long-form Form 990.

- 990-N (e-postcard) — generally used by eligible small tax-exempt organizations with gross receipts normally \$50,000 or less.
- 990-EZ — may be used by qualifying organizations that are above the 990-N threshold and meet IRS eligibility requirements.
- Long-form 990 — required when an organization does not qualify to file the 990-N or 990-EZ.

The YEFS helps Montana 4-H and Extension Offices understand an entity's financial activity and determine the appropriate next steps for annual tax compliance.

Avoid treating a single dollar threshold as the only factor for 990-EZ or long-form 990 eligibility; use current IRS requirements and contact the Montana 4-H Center when a filing is unclear.

Why filing matters

- Supports continued tax compliance and tax-exempt status.
- Helps avoid penalties, notices, and other filing problems.
- Supports grant, donor, and funding requirements.
- Promotes transparency and responsible financial management.

Failure to meet annual IRS filing requirements can have serious consequences. In particular, an organization that fails to file a required annual return or notice for three consecutive years can have its federal tax-exempt status automatically revoked.

5. Financial Best Practices to Teach Before Year-End

Use this “**Prepare**” phase to reinforce good practices throughout the year rather than waiting until the YEFS is due. This section provides an overview; use the “Montana 4-H Financial Best Practices Cheat Sheet” as the companion resource for more detailed financial guidance and entity education.

- Track all income and expenses accurately.
- Keep receipts and supporting documentation.

- Separate financial duties when possible so one person does not control every part of the process.
- Review finances and bank statements regularly and reconcile accounts.
- Use the organization's bank account and EIN; do not use personal accounts for 4-H entity funds.
- Maintain multiple appropriate authorized account signatories.
- Secure cash and other funds and deposit funds regularly.
- When handling cash, use more than one person to count funds and document the amount collected.
- Document discrepancies and resolve questions promptly.
- Follow the entity's established approval process for expenditures and retain detailed documentation.

6. Understanding the Annual 1% Fee

The annual 1% fee applies to counties/reservations and subordinate entities that fall under the umbrella of the Montana 4-H Foundation GEN (Option 2). The fee is based on 1% of a county's total monetary assets at the end of the fiscal year for its Montana 4-H clubs and councils under the Montana 4-H Foundation GEN. This includes activity and event funds.

No fee is assessed for endowments, scholarships, grants, livestock winnings, or capital funds.

Why the fee is paid: This annual fee supports clubs and councils in maintaining nonprofit status through Montana 4-H. It helps cover the cost of the statewide IRS reporting submitted by Montana 4-H Center staff for organizations under the Montana 4-H Foundation GEN.

7. Prepare Your Entities

Prepare your Extension Office first. Before communicating the YEFS process to chartered entities, make sure your office understands its GEN and tax filing responsibilities, has established its local workflow and deadlines, and has identified the individuals needed for the review process. This will help you provide clear, consistent information, and better assist entities throughout the reporting process. September is a good time to begin educating clubs and other chartered entities about the upcoming YEFS process and your local expectations. Entities may begin gathering financial records and preparing for reporting during this time, but **YEFS information should not be entered into monday.com until October 1.**

- **Confirm whether your county/reservation operates under its own GEN or the Montana 4-H Foundation GEN.**
This determines the tax-exempt structure your entities operate under and who is responsible for filing applicable annual 990 returns.
- **Identify entities that may require additional tax filing assistance.**
For example, entities with more than \$50,000 in gross receipts may no longer be eligible to file a 990-N e-Postcard and may need to file a 990-EZ or long-form 990.
- **Make sure you have access to monday.com.**
If you do not already have access to the Montana 4-H financial reporting system in monday.com, contact the Montana 4-H Center before the YEFS process begins.
- **Review entity bank account signatories.**
Montana 4-H policy requires two people to sign checks, so each entity should have at least two account signatories. The Extension Agent should be a third authorized signatory to provide appropriate Extension oversight and continuity.
- **Identify potential Independent Financial Reviewers.**
The Independent Financial Reviewer should not be a signatory on or otherwise responsible for the account being reviewed. Select a trustworthy individual who understands, or can effectively review, 4-H financial records.

- **Determine how entities will complete their YEFS.**
Decide whether entities will complete the online form directly or complete the PDF and return it to the Extension Office for entry into monday.com.
- **Establish your Extension Office's internal timeline.**
Set an internal deadline for entities to have their financial information entered in monday.com and their Account Signatory and Treasurer/Adult Supervisor signatures completed. Build in enough time for Extension Office review and consider setting aside a designated date for the Independent Financial Reviewer to review multiple entities' records and complete their signatures.
- **Then notify and educate your chartered entities.**
Once your office understands the process and has established its local workflow, communicate expectations to your entities. Explain the purpose of the YEFS, annual tax filing, and applicable 1% fee; provide your internal deadlines; explain how they will submit their information; and let them know who will need to participate in the review and signature process.
- **Encourage entities to begin preparing their records.**
Entities can begin gathering financial records, receipts, bank statements, account information, and other supporting documentation before October 1, but YEFS information should not be submitted in monday.com until October 1.

8. Prepare Your Extension Office

If you do not already have access to the Montana 4-H monday.com financial reporting system, contact the Montana 4-H Center to request access before the reporting process begins.

monday.com is the centralized system used for the YEFS process. It supports consistent reporting, tracks required information, coordinates signature collection, and stores documentation associated with the annual process.

PHASE 2: COMPLETE | October 1–January 15

Beginning October 1, Extension Offices may begin the YEFS process in monday.com. The goal of this phase is to collect accurate financial information, review it, document applicable adjustments, and complete all four required signatures by **January 15**.

1. Purpose of the Year-End Financial Summary Report (YEFS)

The YEFS (YEFS) is an internal financial review and acknowledgment document for Montana 4-H. It supports annual financial oversight, chartering, tax filing, and the 1% fee process. **It is not intended to function as a legally binding contract.**

2. Choose the Reporting Method

Option 1: Entity Completes the Online Form

Send the monday.com YEFS form directly to the entity. The entity completes and submits its financial information electronically. The Extension Office reviews the submission in monday.com, makes or requests necessary corrections, and coordinates the four required signatures.

Option 2: Extension Office Enters the Information

Send the PDF YEFS to the entity to complete and return to the Extension Office. The Extension Office enters the information into monday.com, reviews it, makes necessary corrections, and coordinates the four required signatures.

Regardless of the method used, the final YEFS and all four required signatures must be completed in monday.com by January 15.

3. Review the YEFS Information

Before beginning the signature process, the Extension Office is responsible for reviewing the YEFS for accuracy and completeness.

If Using the PDF Method

Before entering the completed PDF into monday.com, review it to confirm:

- All required financial information has been completed.
- Beginning and ending balances, income, expenses, and other financial information add up and make sense.
- All four required signers are listed.
- The four required signers are four different individuals.
- Each signer's name and email address are complete and correct.
- Any missing, unclear, or inconsistent information is resolved with the entity before entering the YEFS into monday.com.

Review in monday.com — Required for All YEFS Reports

Once the YEFS has been entered into monday.com, review the information again, regardless of whether it was entered by the entity or the Extension Office. Confirm:

- The correct entity is listed and the entity information is accurate.

- Names are entered and spelled correctly.
- Email addresses are entered correctly.
- The four required signers are four different individuals and assigned to the correct signature roles.
- Financial figures were entered correctly and do not contain typos or data-entry errors.
- Beginning and ending balances, income, expenses, and other financial information match the information provided and add up correctly.
- Adjustments and supporting information are entered correctly, when applicable.
- Any missing, inconsistent, or questionable information is resolved before the YEFS moves forward for signatures.

If using the PDF method, the information is reviewed twice—once on the completed PDF and again after it has been entered into monday.com. This helps catch both reporting errors and data-entry errors before signatures are collected.

4. 1% Fee Adjustments

For entities subject to the annual 1% fee under the Montana 4-H Foundation GEN (Option 2), use the Adjustments section to identify funds that should be excluded from the annual 1% fee calculation.

No fee is assessed for endowments, scholarships, grants, livestock winnings, or capital funds. Provide the requested details for each adjustment.

Extension Offices may begin collecting applicable 1% fees after entities have submitted their YEFS reports or YEFS have been reviewed and approved.

5. Required Signatures

The YEFS is not complete until all four required signatures are completed in monday.com. Each signature must be completed by a different individual, meaning one person cannot fill more than one of the four signature roles on the same YEFS.

The four required signatures are:

- **Account Signatory** — An authorized signatory on the entity's financial account who confirms the reported balances and financial information.
- **Treasurer/Adult Supervisor** — The entity's Treasurer, or the appropriate Adult Supervisor when applicable, who acknowledges the financial information reported for the fiscal year.
- **Independent Financial Reviewer** — An individual who is not a signatory on or otherwise responsible for the account being reviewed. This person independently reviews the entity's financial records and confirms that the information is accurate to the best of their knowledge.
- **Extension Agent/Admin** — The Extension Agent or appropriate Extension Office administrator who provides the final local review and acknowledgment of the YEFS process.

All four roles must be completed by four different people. For example, an Extension Agent who is an authorized signatory on the entity's bank account cannot sign the YEFS as both the Account Signatory and the Extension Agent/Admin.

The Independent Financial Reviewer should be identified early enough to allow time for a meaningful review of the entity's financial records. Extension Offices may consider setting aside a designated time for

an Independent Financial Reviewer to review the records of multiple chartered entities and complete the required signatures.

Enter signer names and email addresses carefully in monday.com. Verify that all four individuals are different people and assigned to the correct role before the YEFS is sent for signatures.

6. Internal Deadlines

January 15 is the final statewide deadline, but Extension Offices are encouraged to set earlier internal deadlines. For example, requesting financial information and initial signatures by December 1 can provide time to review submissions, resolve issues, obtain remaining signatures, and account for the holiday season.

7. Common Problems to Prevent

- Waiting until January to begin the process.
- Incomplete or inaccurate financial information.
- Missing supporting documentation.
- Incorrect signer email addresses.
- Waiting until the end of the process to identify an Independent Reviewer.
- Missing signatures.
- Using personal accounts for entity funds.
- Unclear account signatory information.
- Assuming a submitted form is complete before all required signatures are finished.

PHASE 3: FILE & SUBMIT | January 15–March 1

After YEFS reports are complete, the process moves into tax filing and final 1% fee submission. Tax filing responsibility depends on the county/reservation's GEN structure.

1. Determine Tax Filing Responsibility

By this point in the process, the Extension Office should already know whether its entities are under Option 1 or Option 2. Use that designation to determine who is responsible for completing the annual tax filings.

- **Option 1** — County/Reservation GEN: The Extension Office is responsible for filing, or coordinating the filing of, each entity's applicable Form 990.
- **Option 2** — Montana 4-H Foundation GEN: The State 4-H Office will file eligible 990-N e-Postcards on behalf of entities under the Montana 4-H Foundation GEN.

For all entities requiring a 990-EZ, filing assistance from the State 4-H Office will be determined on a case-by-case basis.

Long-form 990 returns remain the responsibility of the Extension Office. All 990-EZ and long-form 990 filings must be uploaded into monday.com as proof of filing.

2. February 15 Tax Filing Deadline

All applicable 990-N e-Postcards, 990-EZ returns, and long-form 990 returns must be filed by **February 15** for this annual Montana 4-H process. Extension Offices should monitor filing status and address questions or exceptions with the Montana 4-H Center before the deadline.

3. Submit the 1% Fee

For counties/reservations participating under the Montana 4-H Foundation GEN (Option 2), once all YEFS reports are complete in monday.com and applicable 990-N e-Postcards have been filed, **submit one combined check** totaling the county/reservation's applicable 1% fees to the Montana 4-H Center by **March 1**.

4. Close Out the Annual Process

- Confirm all YEFS reports are complete.
- Confirm all four required signatures are complete.
- Confirm applicable tax filings are complete.
- Upload required 990-EZ and long-form 990 proof of filing.
- Confirm the combined 1% fee amount.
- Submit one county/reservation 1% fee check by March 1.
- Resolve any outstanding compliance questions with the Montana 4-H Center.

Questions & Assistance

Questions about YEFS reports, tax filing, GEN structure, 1% fees, or monday.com access should be directed to the Montana 4-H Center. When a tax filing or compliance situation is unclear, ask for assistance rather than guessing.