



# Cash Awards, Cash Prizes, Scholarships and Memorials Tip Sheet

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UW-MADISON EXTENSION

June 2023

Funds raised using the 4-H Name and Emblem become the property of 4-H. They are not the property of individuals who helped raise the funds. In addition, funds are not to be raised in the name of a particular individual (member or leader). No individuals may use them for personal financial gain.

Funds may not be raised for:

- Pocket money
- Personal items/expenses
- Souvenirs

***The only exception is that funds may be used to provide scholarship and memorial funds for 4-H members and volunteers provided that there is a selection process with criteria approved by the 4-H Program Educator.***

This Tip Sheet provides guidance for offering cash awards, cash prizes, scholarships to attend 4-H programs, scholarships for higher education and memorial gifts for members or volunteers.

For the purpose of this tip sheet cash is considered:

- currency including coins
- checks
- money orders
- gift certificates/cards

All cash awards, cash prizes, scholarships and memorials should be listed in the annual budget and voted on by the club or group membership as part of the annual budget process.

## Cash Awards

Although cash awards are an acceptable practice, 4-H Clubs and Groups should explore all options to recognize 4-H members achievements including ribbons, trophies, 4-H clothing, project supplies and equipment, etc.

A cash award is defined as money that is given to an individual (including 4-H members, 4-H participants, volunteers, guests, etc.) based on the outcome of a contest or competition and the result is determined by a pre-established criteria. Examples of acceptable 4-H activities that could offer cash awards include, but are not limited to:

- 4-H Speaking and Demonstration Contest
- 4-H Animal Competition like a 4-H Horse Show or a 4-H Beef Show
- 4-H Record Book Award
- 4-H Project Award

For ease of documentation and accountability, checks would be preferred over currency.

## Cash Prizes

A cash prize is defined as money that is given to an individual based on the outcome of a game, contest or competition and the result is determined by chance. In Wisconsin 4-H only raffles and bingo are acceptable activities that can have cash prizes. In addition, 4-H Clubs or Groups that plan to conduct raffles or bingo events MUST comply with ALL state regulations including obtaining appropriate licenses. More information can be found at the [State of Wisconsin Division of Gaming](#).

## 4-H Scholarships

4-H Clubs or Groups offering Needs-Based Scholarships for 4-H Educational Experiences should be approved by the 4-H Program Educator to ensure that the process is simple and confidential.

4-H Clubs and Groups offering Merit-Based Scholarships for Educational Experiences and Post-secondary Education should have an application and selection process approved by the 4-H Program Educator. The process should address issues related to conflict of interest, multiple scholarships by the same 4-H members, committee make-up, reasonable criteria, etc.

## Memorial gifts for members or volunteers

Chartered 4-H Clubs or Groups can provide memorial gifts to honor currently enrolled or former 4-H members and 4-H volunteers who have passed away. Due to the sensitive nature of these discussions, guidelines approved by the 4-H Program Educator should be put in place to ensure an equitable, timely and consistent process for awarding these gifts.

Although cash gifts are an acceptable practice, there are many other ways to recognize 4-H members or volunteers including flowers, cards, or a donation to a non-profit organization such as the Wisconsin 4-H Foundation.

## Gifts for members or volunteers who have suffered a major loss

As with any community, 4-H members, 4-H volunteers, and their families are not immune to tragedy. Although a chartered 4-H club or group would not be able to provide a financial contribution to an individual or a family (per the policy that 4-H funds can not be used for financial gain by a family or person), the club could volunteer/partner with another organization to support the family. If a 4-H Club or Group is going to partner with another organization, they should follow 4-H Fundraising policies and not act as the fiscal agent for the overall effort.

**Example 1:** A 4-H member's house is destroyed by a fire. A local non-profit organization is hosting a spaghetti dinner and are looking for volunteers to help with the fundraising activity. A 4-H Club or individuals from that club could volunteer to the non-profit organization to provide support for the family.

**Example 2:** A 4-H member's house is destroyed by a fire. A local non-profit has established a fund to support the family. The member's 4-H Club can hold a bake sale to benefit the family as long as 1) all the funds raised are donated to the non-profit organization and 2) the public is notified (through signs, etc.) that all funds raised will be donated to the non-profit organization to benefit the member's family.