



# Manitoba 4-H Council Inc.

## Dissolving or Dividing a 4-H Club or Interclub Committee

For a variety of reasons, a 4-H club or other 4-H organization like a livestock show planning committee or even an Area Council will dissolve or may choose to split into separate operations. This can be for a short time or permanently. This fact sheet addresses some tasks which should be accomplished before the organization dissolves or splits.

### Reasons to Make Decisions Now

In the past, many clubs have not reorganized thinking that they will come back next year or in a year or two. In the best case, the clubs do reorganize and carry on for many years as an active 4-H club or planning committee. However, this does not always happen. In which case a variety of situations can occur:

- *The last head leader or an executive member may store the property of the club for a number of years and then search for a way to dispose of them. Items may be misplaced (no one can remember where they were last stored), damaged or destroyed.*
- *The bank account sits dormant and may be diminished by continuing bank charges. In a worst-case scenario, the account is dormant for 10 years and is transferred to the Bank of Canada for holding for a further 30 to 100 years depending on its value size. These amounts can be reclaimed by filing a request, but it may be difficult to provide the necessary information to do so.*
- *To prevent an account from becoming inactive, someone on the signing authority will need to check with the financial institution to find out what needs to be done on a regular basis. The ongoing actions will take a commitment on their part which they may not be able to fulfill over an extended period of time.*
- *If the group does not reorganize, a decision will eventually need to be made regarding disposal of all assets. The longer the time frame, the harder it will be to find members (including the signing authorities) to hold a meeting to make these decisions. This may mean that the final decisions are made by a small group rather than everyone who was involved at the time the organization was operating and had a hand in fund raising and decision making. This may lead to hard feelings or potentially have legal implications.*



# Manitoba 4-H Council Inc.

## Dissolving or Dividing a 4-H Club or Interclub Committee

### The Decision-Making Process

Step 1 – Determine if your club or committee has a constitution or bylaws. Use step A or B as appropriate.

#### A. Your Club or Committee Has a Constitution or Bylaws

If your organization has a constitution or bylaws it will usually have a section which talks about dissolving or splitting a club. Here is a copy of the information on dissolving or splitting a club from the Default Constitution for 4-H Clubs provided by Manitoba 4-H Council:

#### XVI. DIVISION OR DISSOLUTION

##### *1. Splitting of the Club*

If this 4-H club decides, by a majority secret ballot, to split into two or more separate clubs, the club which retains the former meeting location will also keep the original club name and accumulated years of club operation. If both clubs remain at the same location, the club with the largest membership during the first year of operation will keep the former name.

##### *2. Division of Resources*

Upon a decision, by majority secret ballot, to dissolve this club, all resources (such as banners, tack boxes, flags, etc.) identified with the club's original name will go to the club which retained the original name. Club finances will be distributed on a per member ratio to each new club prior to the original club splitting.

##### *3. Dissolution of the Club*

Upon a decision, by majority secret ballot by club members to dissolve a 4-H club, funds cannot be disbursed for a two-year period. At the end of two years, if the club has not reorganized, all funds will be transferred to

\_\_\_\_\_ (Note: examples are Manitoba 4-H Endowment Fund Foundation, Area 4-H Council, another club in good standing or another charitable organization). Funds from the club's account can be held in trust by the Area 4-H Council or Manitoba 4-H Council.

Your constitution or bylaws will outline what steps must be followed if your organization dissolves or splits. A motion to dissolve or split a club or other 4-H organization usually requires that notice be given in advance to the membership. Notice should be in writing, either by a letter or by email. The advance notice can vary from thirty to ninety days depending on your constitution.



## Manitoba 4-H Council Inc. Dissolving or Dividing a 4-H Club or Interclub Committee

Remember there are a number of motions which should be made and carried out according to your constitution. Please remember that all these motions must be made by members in good standing.

- Motion and secret ballot to dissolve or split the 4-H organization (club, interclub committee, council)
- Motion and secret ballot on distributing the financial resources of the club if it dissolves or a split occurs, and/or
- Motion to hold the financial resources of the club for a specified time frame if it is not operating.

For example:

- The club may keep the account(s) open and have the signing officers ensure the account is kept active. This method is not recommended unless the club/committee is sure that it will become active again in the near future. Signing officers and other members may move away, making it difficult to have a final meeting to deal with the club resources. In some cases, a small number of people may make the final decision rather than the entire group. If this method is chosen, it would be recommended that the club makes a second motion indicating what to do if the club does not reorganize within a specific period of time.
  - The club may close the accounts and ask the 4-H Area Council, or Manitoba 4-H Council to hold those funds in trust for a specified number of years, with directions on what to do with the funds if the club does not reorganize. Be sure to specify the time frame in which the accounts must be closed and transferred. For example – the month after the last transaction has cleared the account.
- A motion on what process will be used to access the funds being held in trust if the club or committee reorganizes within the specified time frame.
  - A motion on what to do with the club's financial resources after the specified waiting time.
  - A motion on what to do with other resources the club may possess including items of historical nature. There are a variety of options for dealing with memorabilia, club uniforms etc. Read more on this topic on page five and six.
    - Other resources and records could include but are not limited to
      - Financial records
      - Meeting minutes and club membership records
      - Member event forms or permission forms
      - Photo/video permission forms
      - Memorabilia such as trophies, plaques, scrapbooks, photographs
      - Uniforms, banners or flags
      - Equipment, tack boxes, or float materials
      - Livestock panels, PA system, computers
      - Project materials



## Manitoba 4-H Council Inc. Dissolving or Dividing a 4-H Club or Interclub Committee

### B. Your Club or Committee does not have a constitution

The same process should be followed but your club or committee must first make motions to lay out the process which will be used.

Remember – as with all motions this is a decision made by the members of the club/committee with input and assistance from parents and leaders.

### Step 2: Your Club has passed all the necessary motions – NOW WHAT?

- Notify the Manitoba 4-H Council and local 4-H Area Council that the club or interclub committee has dissolved or split. This will allow them to keep their records up to date. If possible provide them with contact people for the new club or groups where necessary. In the case of an interclub planning committee, all clubs which take part in the event should be notified as well.
- Follow through on the motions which were made regarding the resources of the club/committee
  - o Financial resources
    - If the club or committee has split, a cheque should be written to the new club as soon as it has organized, elected an executive and opened an account at a financial institution as per the motion passed by the original club.
    - If the club or committee is dissolving and holding the funds in trust.
      - The treasurer should determine the final bank balance for all accounts and with another signing officer write and forward the cheque to the institution which will hold the funds in trust for the group.
      - This cheque should be accompanied by a letter of explanation and clearly outline how the funds can be recovered by the club and what is to be done with the funds after the waiting period has lapsed.
      - After the cheque has cleared the club's account, the treasurer and other signing officers should visit their financial institution with a copy of their meeting minutes on dissolution and formally close the account(s).
    - Financial records need to be kept for a period of seven years in a secure location and then may be destroyed on a year by year basis as the seven years elapse.
  - o Other resources
    - Follow through in a timely manner with the motions which were made by the club re physical resources.



# Manitoba 4-H Council Inc. Dissolving or Dividing a 4-H Club or Interclub Committee

## Considerations for what to do with the club's assets and resources

### Financial Resources

There are many options for disposing of the club's financial resources. The club or committee should consider the sources of the funds, the intent for which they were raised and how they can best be used in the future. Here are some possible suggestions for donations of funds if the club or committee dissolves. This list is by no means complete.

- Set up a scholarship or bursary fund or donate to a fund for a local scholarship or bursary
- Donate them to a 4-H related group either locally, provincially or nationally
  - o Manitoba 4-H Council Inc.
  - o Manitoba 4-H Foundation
  - o 4-H Museum in Roland
  - o Local 4-H Area Council
  - o Other 4-H clubs in the area
  - o 4-H Canada
  - o 4-H Canada Foundation
- Donate them to a community based group with similar goals
  - o Youth groups
  - o Agricultural Societies
  - o Women's Institutes
  - o Museums
  - o Community Foundations
  - o Schools (particularly if the club has used their facilities regularly)
  - o Local food bank
  - o Local special project
- Donate them to a mutually agreed upon group which has similar goals
  - o Commodity groups
  - o Breed Associations
  - o Youth groups
  - o Ag in the Classroom MB – Inc.
  - o Manitoba Association of Agricultural Societies
  - o Farm and Rural Support Services Line
  - o Manitoba Association of Home Economists
  - o Manitoba Institute of Agrologists
  - o Educational institutions



## **Manitoba 4-H Council Inc. Dissolving or Dividing a 4-H Club or Interclub Committee**

These donations can be made to operating funds, to special funds for a particular project such as a scholarship or building project or earmarked to endow a particular award or scholarship on behalf of the club/committee. Endowments may require larger sums of money if they are to be ongoing for a number of years or may be for a one time or short time frame until the money is completely disbursed. The club/committee can specify the criteria for these scholarships or awards. Keep in mind that there may be ongoing responsibilities or expectations for scholarships and awards.

### **Other resources and records**

While it is not possible for the local 4-H Area Council, Manitoba 4-H Council or Manitoba Agriculture to take ownership and control of all dissolving clubs'/committees' property even for storage purposes, there are many options available. The logistics of caring for large archives of material is prohibitive both in time and space. The local club or committee best knows the monetary, historical and sentimental value of the collection of material which remains. The club should make these decisions before dissolution.

Appoint a committee to sort all the material into groups of monetary, historical and sentimental value and what may be destroyed. Have the committee bring a motion to the club with recommendations of what to do with each group of items. The committee may wish to contact the individuals or families who are connected to the items of sentimental value and ask for their input.

Keep in mind that there may be material with personal information and, if destroyed, it should be handled in a method which is sensitive to the privacy of individuals (ie. shredding or burning).

Here are some suggestions:

- Donate items of historical nature to the local museum or to the 4-H Museum in Roland. Depending on the type of item and its historical value, it may be of interest to the Manitoba Archives, Manitoba Museum or other regional museums. Be sure to check with the museums regarding what types of donations are acceptable. (See appendix 2 for the process for donating to the 4-H Museum).
- Have a raffle or auction of items which the club needs to dispose of. Be sure to notify current members, former members and the community at large of the intention of the club to dispose of its assets.
- Donate to other local groups which may be able to make use of the items. For example, the local agricultural society may have a use for float materials, tack, tack boxes, or livestock panels.



## **Manitoba 4-H Council Inc. Dissolving or Dividing a 4-H Club or Interclub Committee**

- Trophies may be offered to the original sponsor for display in their place of business or perhaps the local RM would be willing to display them as historical items. Newer trophies may also be recycled by other 4-H clubs or groups holding competitions.

### **Human Resources**

4-H clubs and committees not only have fiscal and monetary assets but many valuable human resources in the form of members, parents and leaders.

Current 4-H members and leaders may be interested in remaining involved in 4-H at a local level. It would be helpful to provide them with a list of other clubs in your area. This information can be obtained from Manitoba 4-H Council. You could also provide volunteers with the contact information for Manitoba 4-H Council so they may make individual inquiries.

Members, leaders and parents can also stay involved by volunteering time at the provincial or Area Council level. Both councils welcome volunteers to plan events, help at events such as communications, participate in member training or interview teams, or serve as chaperones, judges, etc. The aforementioned represent only a few of the volunteer opportunities available.

Encourage them to become involved with community groups who would welcome volunteers to help with specific events or to serve on boards or committees. Remind them that they have a wealth of knowledge and skills which can be put to use in their community.



# Manitoba 4-H Council Inc. Dissolving or Dividing a 4-H Club or Interclub Committee

## Appendix 1 – 4-H Contacts

<http://www.4h.mb.ca/> Manitoba 4-H Council Inc. includes contact information for their office and staff in Brandon. The Council will also be able to provide information on Area Councils and local 4-H clubs.

<http://4-h-canada.ca/about-4-h> Canadian 4-H Council web site has a link to donation information. Also, a source of information regarding the Canadian 4-H Foundation.

## Appendix 2 - Contact Information for possible recipients

<https://manitobamuseum.ca/main/collections-research/how-to-donate-to-the-collection/>  
Manitoba Museum

<http://www.roland4hmuseum.ca/> Roland 4-H Museum

<http://www.museumsmanitoba.com/> Museums Manitoba has a list of community museums in Manitoba with their contact information.

<http://manitobacommunityfoundations.ca/> Has a list of Community Foundations in Manitoba with their contact information.

<http://www.mbagsocieties.ca/> Contact information for the Manitoba Association of Agricultural Societies as well as agricultural societies in Manitoba.

<http://www.aitc.mb.ca/> Ag in the Classroom Manitoba - Inc.





# Manitoba 4-H Council Inc.

## Dissolving or Dividing a 4-H Club or Interclub Committee

### Appendix 3 – Sample Motions

#### Splitting Club

##### Motion 1

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that the “ABC 4-H Club” be split, with one portion remaining the ABC 4-H Club and the second portion being known as \_\_\_\_\_.

*AND*

##### Motion 2

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that the financial resources of the “ABC 4-H Club” shall be split between the ABC 4-H Club and the new \_\_\_\_\_ 4-H Club with the funds being held by the ABC 4-H Club until proof of registration of the new \_\_\_\_\_ club has been received. The funds will be split with the amount granted to each club based on the percentage of current year members enrolled in the new 4-H year in each club.

*For example:*

*-15 current members, 9 join the current club and 6 move to the new club; funds would be split 60% and 40% (9/15 and 6/15)*

*-15 current members, 7 join the current club, 5 join the new club, 3 do not rejoin; funds would be split 58.3% and 41.7% (7/12 and 5/12)*

*OR*

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that the financial resources of the “ABC 4-H Club” shall be split between the ABC 4-H Club and the new \_\_\_\_\_ 4-H Club with the funds being held by the ABC 4-H Club until proof of registration of the new \_\_\_\_\_ club has been received. The funds will be split so that each club will receive an equal \_\_\_ % of the financial resources, with the remainder of the resources granted to each club based on the percentage of current year members enrolled in the new 4-H year in each club.

*For example:*

*-After reorganization, each club receives an equal 25% share of the current resources. The remaining 50% of the funds are split based on new year enrollment of 15 current members, 9 join the current club and 6 move to the new club; the remaining 50% of the funds would be split 60% and 40% (9/15 and 6/15).*

*-After reorganization, each club receives an equal 25% share of the current resources. The remaining 50% of the funds are split based on new year enrollment 15 current members, 7 join the current club, 5 join the new club, 3 do not rejoin; funds would be split 58.3% and 41.7% (7/12 and 5/12)*



## Manitoba 4-H Council Inc. Dissolving or Dividing a 4-H Club or Interclub Committee

AND

### Motion 3

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that the other resources of the “ABC 4-H Club” shall be split between the ABC 4-H Club and the new \_\_\_\_\_ 4-H Club with the resources being held by the ABC 4-H Club until proof of registration of the new \_\_\_\_\_ club has been received.  
*(Insert section listing resources and which club will receive them or how they will be disposed of).*

### Dissolving Club

#### Motion 1

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that the “ABC 4-H Club” be dissolved.

AND

#### Motion 2

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that as the ABC 4-H Club is not/will not be actively operating, that the bank accounts of the ABC 4-H Club be closed by \_\_\_\_\_ (insert time frame for closing) and that the funds are to be donated as follows to \_\_\_\_\_ *(List organization(s) that will receive the funding)*

AND

#### Motion 3

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that as the ABC 4-H Club is not/will not be actively operating, that the non-financial resources of the ABC 4-H Club should be disposed of in this way:  
*(list resources and what is to be done with them)*



## Manitoba 4-H Council Inc. Dissolving or Dividing a 4-H Club or Interclub Committee

### Dissolving the Club and Holding Assets for Reorganization in Future

#### Motion 1

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that as the ABC 4-H Club is not/will not be actively operating, that the bank accounts of the ABC 4-H Club be closed by \_\_\_\_\_ (*insert time frame for closing*) and that the funds are to be transferred to \_\_\_\_\_ (*insert name of organization holding funds*) to be held in trust for \_\_\_\_\_ years to provide start up resources should the ABC 4-H Club reorganize in the future.

AND

#### Motion 2

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that should the ABC 4-H Club reorganize within the \_\_\_\_\_ years specified, the club may access the funds being held in trust by:

- Making a written request for the funds to \_\_\_\_\_ (*insert name of organization holding funds*)
- Providing proof that the club has submitted its reorganizational material to Manitoba 4-H Council Inc. for the year the request is being made in
- Providing proof that the club has opened an account at a financial institution

AND

#### Motion 3

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that should the ABC 4-H Club not reorganize within the \_\_\_\_\_ years specified, the funds are to be distributed by \_\_\_\_\_ (*insert name of organization holding funds*) as follows: (*list where the funds are to be distributed to and if needed how the funds are to be used*)

AND

#### Motion 4

\_\_\_\_\_ moved, \_\_\_\_\_ seconded that as the ABC 4-H Club is not/will not be actively operating, that the non-financial resources of the ABC 4-H Club should be disposed of in this way:  
(*list resources and what is to be done with them*)

*Remember – as with all motions, these area decisions made by the members of the club/committee with input and assistance from parents and leaders.*