

Troop Finance and Money Earning Policies and Procedures

Troop Finance

Policy 1: The goal for all troops is to be financially self-sustaining. All troop funds are to be used for the development and maintenance of troop program activities. Decisions regarding expenditures of troop funds should involve the girl members in the troop. The troop treasurer is responsible for the safekeeping of funds and maintaining accurate financial records.

Procedures: Troop bank accounts are to be opened in the following manner:
Request a Corporate Resolution from the regional Product Program and Finance Specialist.
Provide the following information: names of all account signers, bank name, address, the name, and email contact at the bank.

Account Name: Girl Scouts of Minnesota and Wisconsin Lakes and Pines

Troop # _____

Troops must use Federal I.D. #41-0877820.

(Do not list personal names, address or social security numbers.)

Troop check blanks should read as follows:

Troop # XXXX

Girl Scouts of Minnesota and Wisconsin

Lakes and Pines

(No abbreviations of Council name)

City, State Postal Code (the city where your Troop is located)

The Bank statement should read as follows:

Account Signer Name (other name based on suggestion below)

Troop Number

Home Address

Policy 2: Troop funds are to be deposited in a bank account titled Girl Scouts of Minnesota and Wisconsin Lakes and Pines, Troop Number and with a minimum of two account signers.

Procedure: **A minimum of** two signers are required on the troop bank account as a way of instilling checks and balances with the management of the troop's checking account. One signer holds the checkbook; and the other signer receives the bank statements.

Signers might include the troop leader, assistant leader, troop treasurer, and/or the troop finance consultant.

Suggestion: Another check and balance could include a third signer for troop accounts. This signer may be your Service Unit Treasurer or Troop Finance Consultant as determined by the Troop.

- All signers must be registered members, in good standing, at all times to ensure the corporate resolution is valid.
- Only one signature is required on a check.
- Troop accounts are to be reconciled to the bank statement monthly and transactions (purchases & deposits) are recorded on a bank ledger (or spreadsheet).
- No troop check should ever be written to the same person signing the check. In rare instances that a signer needs reimbursement from the troop the other signer should issue the check.

Once the account has been set up, the troop is to immediately complete and submit a Girl Scout Bank Account Record (Form #4706) to the regional Product Program and Finance Specialist.

Policy 3: **The troop bank account signers may obtain two debit cards per troop to facilitate electronic troop transactions or troop approved purchases.** Troops are **not** allowed to obtain credit cards or to enter into any credit extensions, including loans, lines of credit and other credit products, with banks and financial institutions.

Policy 4: Troops are required to submit the Annual Troop Financial Report (Form #4702.1-2) or via Volunteer Toolkit Finance Tab and supply a copy of the most recent Troop Account Bank Statements. Failure to comply with this requirement will result in an audit of the troop account. Failure to provide the requested information will result in the removal of signers from the account. Results of the audit may result in volunteer termination.

Procedure: Each troop will develop an annual budget so that girls learn to plan troop programming within the troop's projected income.

The annual Troop/Group Financial Report (Form #4702.1-2) or Volunteer Toolkit Finance Tab is to be completed each year prior to **June 15** and submitted, along with a copy of the August, November, February, and May bank statements for the troop account, and a copy of the corresponding check book register, to the Community Coordinator, Service Unit Manager or Service Unit Treasurer, who approves the form and submits it to the regional Product Program and Finance Specialists no later than **July 1**.

Failure to submit the annual Troop/Group Financial Report and bank statement may result in a troop account audit, freezing of the account until the report is submitted, and/or the troop checking account being removed from the present signer(s).

Troops should keep sufficient money in their checking account to cover the costs of the activities planned by the girls on a year-round basis. A troop's program activity budget should be based on reasonable dues (\$.50 to \$2.00 per meeting), council-sponsored product sales programs (fall product & cookies), and additional money earning activities (Form #4704) only as needed and approved. The cookie program is generally the largest source of revenue for the troop.

Monies raised by members of a troop for any purpose belong to the troop as a whole and are not available to any individual. Troops may not track proceeds by individual girls. All money earned by the troop belongs to the troop.

When Girl Scout troops purchase materials or supplies which will be used in their program, these supplies are exempt from state sales tax. Some merchants will ask you to complete a Certificate of Exemption form (ST3 in MN) and supply the tax-exempt number. Certificates of sales tax-exemption are available electronically [here](#). If you are unable to print the necessary form, please contact the Bookkeeper at the Waite Park Regional Center or your regional Product Program and Finance Specialist.

The Girl Scouts of Minnesota and Wisconsin Lakes and Pines' certificate of tax-exempt status number is:

Minnesota # 8029741

Wisconsin # 051462

Policy 5: All money and other assets, including property, that are raised, earned, or otherwise received in the name of and for the benefit of Girl Scouting must be held and authorized by a Girl Scout council. Such money and other assets must be used for the purposes of Girl Scouting. (GSUSA Bluebook-Ownership of Assets)

Procedures: Troop proceeds can be used for the purposes of Girl Scouting in many ways that tie back to the Girl Scout program which includes implementing the three program processes: girl-led, learning by doing, and cooperative learning and which result in the achievement of the 5 Girl Scout outcomes. Examples could include; outdoor adventures, community service and take action projects, Girl Scout troop meeting supplies, troop trips, and other girl-led Girl Scout troop activities.

However, using troop proceeds to purchase membership in or uniforms for another organization is not using such funds for the purposes of Girl Scouting. If you have any questions regarding

the use of troop funds, please contact your Product Program & Finance Specialist for verification prior to using any troop funds.

Policy 6: Funds of an inactive or disbanded troop must be held by the council or service unit for up to 12 months and may not be refunded directly to girls.

Procedures: **IRS Field Directive:**

Crediting of Fundraising Amounts Constitutes Private Benefit - If a booster club confers a benefit on a participant in return for their fundraising activities, such as by crediting amounts raised by a participant toward that participant's dues requirement, or by crediting amounts raised against the cost of a trip, the booster club is providing a private benefit to that participant. Consequently, such practices could result in the organization failing to be qualified as a 501(c)(3) tax exempt organization.

Income from Services - It is also possible that amounts credited to a participant's account due to fundraising would constitute income from services, and could result in employment taxes.

Before a troop disbands, the currently registered members of the troop should decide what to do with the troop's funds. Funds should be used for troop activities and, according to council and Girl Scouts of the USA policy, may not be refunded directly to girls. If all money is not used for activities with girls, the remaining troop funds must be given to the service unit or Waite Park Regional Center.

The funds will be used by the service unit for start-up funds for a new troop, a service unit event, or service unit/troop supplies that are needed. The money received by the service unit must be reflected in the service unit's financial report. The council holds disbanded troop funds in a designated account to be used for similar purposes.

All financial records should be reviewed in the presence of the retiring leader when the records are received. A final Troop/Group Financial Report is required of the disbanding troop.

If a troop divides into two troops, money and materials of the original troop should be divided between the two troops in proportion to the number of girls moving into each new troop.

If two or more troops merge, money and material of each troop involved must be combined.

When a leader leaves her/his position with a troop and a new leader is immediately recruited, the departing/retiring troop leader will transfer all supplies, financial records, debit card, check book, bank account information and materials to the new volunteer. The signatures on the bank account will need to be changed. Please contact the Product Program and Finance Specialist to work with the bank to remove the signer's name and update the Corporate Resolution. Be aware that individual bank policies may vary.

If new leadership has not been recruited but the troop has not been disbanded, give all supplies, financial records, and bank account information to the designated Service Unit treasurer or the Waite Park Regional Center to hold for up to one year. If leadership is not found within the current membership year, the troop shall be disbanded and monies sent to the service unit or Waite Park Regional Center. Funds received at the council will be held until requested by the service unit or used for similar purposes.

Policy 7: Troop Sponsorship is a partnership between a Girl Scout troop and a community service organization or business, working together to promote the Girl Scout Leadership Experience. Troop/group sponsorship funds, are limited to a maximum of \$125 per year, and may be used for "start-up" funds, or goods and services to support the troop/group program. Amounts above the maximum may be directed and managed by Girl Scouts of Minnesota and Wisconsin Lakes and Pines.

Procedures: Submit Sponsorship Form #9202 along with the donation to the Waite Park Regional Center to the attention of the Development Assistant, for donor recognition and thank you letter.

A troop may accept a maximum of \$125 annually, received from one or more sponsors, for a combined total of \$125. Troops exceeding the dollar limit will see a reduction of 25% of any

funds raised in excess of the sponsorship limits. These excess dollars will be applied to that service unit's Family Partnership goal with the remainder being returned to the troop.

Example: Troop ABC receives a sponsorship for \$200. 25% of the excess \$75 (\$18.75) will be applied to the service unit's Family Partnership goal, and the troop will receive a check for \$181.25.

Examples: A troop sponsor can enhance troop experience by:

- Providing a place for meetings or special events
- Suggesting potential leaders
- Serving as a source for program opportunities, craft supplies, and troop materials
- Providing career exploration opportunities for girls
- Securing community support and resources
- Assisting troops with community service projects

Possible sponsors include service or social clubs; churches, synagogues, mosques, or temples; recreation centers; schools or education groups; businesses; and other organizations whose missions and goals are compatible with those of Girl Scouting *excluding* United Ways and any organizations or businesses that currently have an established giving history with the council in the past 3 years. This list of service organizations and businesses is available by contacting the Fund Development Department at the Waite Park Regional Center.

Policy 8: Scholarship Fund (Financial Assistance) is offered to those individual girls and adults who desire to be registered members of Girl Scouts of Minnesota and Wisconsin Lakes and Pines. However, Financial Assistance is not available to troops. Girl Scouting is open to all girls and adults, regardless of their ability to pay. To encourage participation, Girl Scouts of Minnesota and Wisconsin Lakes and Pines has budgeted money to help girls and adults. These funds are supported by United Way, Girl Scout Product Sales Programs, Family Partnership and Friends of Girl Scouting campaigns, contributions, and bequests.

Procedures: It is expected that parents/guardians support the girl and her troop. This can be done by participating in council product programs and any additional troop money earning activities, leading the troop, and helping the troop plan activities.

To receive financial assistance for uniform supplies, the following steps must be completed:

- A. Complete the "Scholarship Form" (Form #4502) on both sides. Use a separate form for each person applying. Allow four to six weeks for processing supply orders.
- B. Mail form to: Girl Scouts of Minnesota and Wisconsin Lakes and Pines
Waite Park Regional Center
400 Second Avenue South
Waite Park, MN 56387

Requests for program fees for specific council-sponsored programs are processed by the Program Specialists. Requests for program fee scholarships must accompany the program registration. The Program team will notify the girl and parents of the availability of funds.

The following items are considered:

Program activity guideline; as outlined in the Leadership Program & Events Guide
Availability of funds

- A. Complete the Program Scholarship Application (one per applicant /event) and the Program and Event Registration form (in current program guide or from the website)
- B. Mail completed forms with deposit to:
Girl Scouts of Minnesota and Wisconsin Lakes and Pines
Program Registration
400 Second Avenue South
Waite Park MN 56387

Girl Scouts of Minnesota and Wisconsin Lakes and Pines does not provide financial assistance for service unit or troop sponsored activities.

Troop Money-Earning

- Policy 1:** Troop activities are usually financed through troop dues and money earned through the Cookie Sale and Fall Product Sale Programs. However, if necessary, each troop may have one money-earning activity a year. If additional money earning activities are required, subsequent requests must have council approval. If the request is denied, the reason for denial will be stated on the troop notification. Approval is based upon the following:
- a. The troop's financial need for such funds is well established.
 - b. Troop leaders obtain the required permission from a member of the Service Unit Core Team or the regional Product Program and Finance Specialist.
 - c. The troop participates in both the Cookie Sale and the Fall Product Sale during the troop year and has a zero-balance due for product programs. Participation by individual girls is voluntary.
 - d. The activity must have program value for girls and be consistent with the Additional Group Money Earning standards of Girl Scouts of the USA, as outlined in *Volunteer Essentials*.
 - e. Girl Scout Daisies are not eligible to participate in additional money earning activities (beyond the council sponsored product programs).
 - f. No fundraising method will be used that requires gambling, raffles, or games of chance.
 - g. The proposed money earning activities must be in compliance with the state and local laws and ordinances regulating sales and handling of food.

Procedure: Three months prior to the date of the proposed activity, the troop will submit the troop money earning project application (Form #4704) and troop budget to a member of the Service Unit Core Team and/or their regional Product Program and Finance Specialists for review/approval, if criteria is met.

For money earning projects approved at the service unit level; the service unit will send one copy to the troop and one copy to the regional Product Program and Finance Specialist.

Approval is based on the following:

1. The troop has submitted its annual Troop/Group Finance Report.
2. The information contained on the request form is complete.
3. The money earning project complies with Girl Scouts of the USA and council policies and standards as outlined in *Volunteer Essentials*.
4. The proposed money earning activity is appropriate.
5. The amount to be raised is reasonable.
6. The troop budget justifies the need for the additional monies to be raised.
7. The program activity to be financed through the project is appropriate for the girls.
8. A troop must have participated in the most recent Girl Scout Cookie Sale and Fall Sale Programs. A first year Girl Scout troop would be the exception. (See Letter E above regarding Daisy Troops)

Troops must identify the money earning project as "Conducted by Troop # _____ of Girl Scouts of Minnesota and Wisconsin Lakes and Pines."

Troop money earning activities may not take place during the annual United Way Campaigns (when applicable), nor during council sponsored product programs, (cookies: January through March and fall sale: October through November).

Policy 2: Participation of girls and troops in money earning activities must be limited to projects that do not involve direct solicitation for cash or door to door sales other than the Fall Product and Cookie Programs.

Examples: The following activities are examples of money earning activities which are appropriate for Girl Scout troop participation (including but not limited to):

- car washes
- brat sales
- garage sales
- spaghetti dinners
- gingerbread house sales
- wreath sales
- recycling

Activities which are not appropriate (including but not limited to): product demonstration parties (i.e., Tupperware, Pampered Chef, etc.—seen as an endorsement of a commercial product), raffles, drawings, games of chance, sale of commercial products (other than those offered during council sponsored sales that are approved by GSUSA), door to door solicitation, and adult fund raising on behalf of troops. Check with your Product Program and Finance Specialist if you have questions.

Policy 3: Troops may not raise, solicit, or handle money for other individuals or organizations. Participation of Girl Scouts with an appropriate service organization should be limited to service projects.

Policy 4: Money earned by the troop (through sponsorships, money earning activities and product sales programs) belongs to the entire troop and decisions on the use and spending should be made by all members of the troop through girl planning with the guidance of the troop adults.

Policies are for the benefit and protection of all members. If a Troop has an extenuating circumstance which may require a variance, please contact the Director of Finance and IT at the Waite Park Regional Center.