

Troop Financial Management



Money earned by the girls are for the benefit of all girls in the troop and should be spent in the year the funds are earned, unless the troop has a long range plan for spending the funds. It is important to note that the funds belong to the troop as a whole. *Per IRS guidelines for charitable organizations, troops are prohibited from keeping separate individual girl accounts. All funds expended should benefit all girls in the troop.*

Who should be managing troop funds?

- Troop leaders and troop assistants: Only registered and approved adults in these roles can handle or manage troop funds.
- Girls: Involve the girls as much as their grade level and skills/abilities allow. After all, it's their money!

What does it mean to manage troop funds?

Managing troop funds includes deciding how to spend the money, being a signer on the troop checking account, managing or helping to manage a troop's participation in the Cookie or Fall Product Programs, helping at a cookie booth, or handling troop money in anyway.

1. Establish an Account

New troops are required to establish the troop bank account within 30 days of receiving the Welcome Letter. Girl Scout troops earning and spending money are required to have a troop checking account. This usually happens when there is money to deposit from troop dues, product sales or troop money-earning activities. Girl Scouts of Western Ohio's standard requires all troops to open their checking account at one of Western Ohio's identified banking institutions: PNC or Fifth Third Bank.



See the Troop Checking Account Procedures online at gsw.org/formsanddocs

Leadership Changes

Since records and other property belong to the troop, not an individual, they should be passed along to the next leader within 30 days from a change in leadership. Troops must follow the Council's process for troop checking account signers. Until the signature card is updated with the bank, all existing bank signers will continue to have access to troop funds.



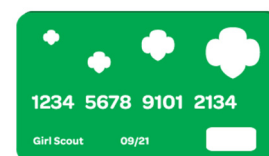
Reminder: When debit card holders are no longer involved with the troop, the debit card should be cancelled immediately with the bank and the signature card should be updated. Whenever there is a change of signers on the account, the password to Online Access must also be changed.

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2. Record Keeping

One critical task for each troop/group, is to keep excellent records and establish a clear accounting system for all money earned and spent. As the group's volunteer, you're in charge of making sure money is spent wisely, excellent records are kept (keeping copies of all receipts in a binder or folder), and all income is tracked. For older girls, your job is to oversee their work, as they learn to keep impeccable records.

- All troop money earned or received should be deposited into the troop account within three days of receipt and should never be held in a personal checking account.
- Anytime the troop spends or receives money, a receipt should be provided and kept on record.
- For security reasons, we do not recommend keeping cash in a house or vehicle unless it is appropriately secured. It is critical that all authorized signers are in communication with the other before spending funds to prevent overdrafts on the account.
- There may be timing issues with the online balance since there can be delays in posting transactions to the account in the banking system.
- Cash withdrawals should only be made if absolutely necessary—i.e. cookie booth change, tips for taxi or hotel services.
- Each account signer should make sure that there are funds in the account to cover the amount of the transaction before writing a check or making a purchase with the troop debit card. All expenses should be paid for by troop check/debit card.
- Blank checks should never be pre-signed and debit cards should not be used by anyone other than the person they are issued to.
- If there is an instance where a signer paid out of pocket for troop supplies and needs to be reimbursed using troop funds, those reimbursements should be approved and authorized by a signer other than the payee.
- Funds acquired through money-earning projects must be reported and accounted for by the troop, while following all council policies and procedures.



Note: Troop leaders should consistently share troop financial information with parents and girls. At any time parents/caregivers or Girl Scouts of Western Ohio may request troop financial records. Adult volunteers who are found to be mismanaging troop funds are subject to a volunteer eligibility review and may ultimately be determined ineligible to serve as a volunteer or restricted to non-supervisory roles.

3. Making Decisions about Managing Money with Girls in the Troop

Teaching girls about money management and empowering them to make good financial decisions is part of troop financial management. Since girls are driving their own Girl Scout experience they can also make decisions on the resources that support their Girl Scout adventure. How can you guide them in the best management of their troop funds? Consider the following as you and the girls manage the troop finances:

- What is the age level of the troop and how much understanding do they have of money and bank accounts? (Girl Scout Daisies will have adults handle their troop finances; Girl Scout Brownies understand that things cost money and will begin to have an understanding of what is needed to achieve their goals.)
- What are the goals of the troop?
- What are the girls learning by the way that the troop funds are managed? What do they need to learn?
- What if girls join the troop or leave the troop, how will the funds be managed?

Two Common Troop Money Management Techniques

1. **The Common Pot:** (This technique is used mostly with younger troops, however will work with all grade levels.) The Common Pot technique is when all earned money goes into the troop's "common pot" and the funds will be drawn from equally for all girls. This is often how a new troop begins in their money management and then progresses to a more complicated management system.
2. **Tracked Money with a Common Pot:** This is used by troops that are planning more complicated, expensive activities like a trip to Savannah, attending Troop Adventure Camp or if girls have individual goals as well as troop goals. This technique allows for a percentage of the money earned going into the troop "common pot" for troop activities and an additional percentage to be tracked for each girl to individually save for a long-term troop activity or a council sponsored activity. The troop as one body still makes decisions about how the money should be spent.



Important: Money in the troop bank account belongs to the troop. Money earned, even when tracked for individual girls, is never the property of an individual girl or adult.

Troop Transfers

When a girl transfers to another troop, a portion of the troop's funds may follow her to another troop based on decisions previously made by troop members about how money will be handled.

4. Money-Earning Basics

Groups earn money for their troop in two distinct ways:

1. **The Girl Scout Cookie Program and Fall Product Sale Program organized by Girl Scouts of Western Ohio.** A troop's primary money earning activity should be the council product sales (however it is not a requirement).
2. **"Group money-earning."** Activities organized by the group (not by the council), that are planned and carried out by girls (in partnership with adults), that earn money for the group.

Girls' participation in both council-sponsored product sale activities and troop money-earning projects is based upon the following:

- Voluntary participation
- Written permission of each girl's parent/caregiver
- An understanding of (and ability to explain clearly to others) why the money is needed
- An understanding that money-earning should not exceed what the group needs to support its activities
- Observance of local ordinances related to involvement of children in money-earning activities, as well as health and safety laws
- Vigilance in protecting the personal safety of each girl (see Chapter 4, Safety-Wise for guidance)
- Arrangements for safeguarding the money

Money Earning Guidelines

There are a few specific guidelines—some required by the Internal Revenue Service—that ensure that sales are conducted with legal and financial integrity. To that end, consider the following reminders and cautions:

- Prior to the troop money-earning event, obtain written approval from the council by submitting the *Approval for Troop/Group Money Earning Project form* (gsw.org/formsanddocs) to the service unit chair.
- Troop money-earning projects cannot compete with the council sponsored product sales.
- Decisions about how money will be earned and spent should be made by the girls in the troop and communicated in writing to parents/caregivers.
- Money earned by girls in Girl Scouting is the property of the troop and never belongs to an individual (girl or adult members) no matter what accounting method is used.
- Girls cannot participate in games of chance, the direct solicitation of cash (including walk-a-thons), and product-demonstration parties (For example: In home product parties).
- Money earned must be for Girl Scout activities.
- Money donated to the troop may not personally benefit one member of the troop.
- Girl Scouts forbids a business use of the Girl Scout trademark to increase revenue for their business. Any business using the Girl Scout trademark must seek authorization from GSUSA.
- Troop money-earning activities need to be suited to the age and abilities of the girls and consistent with the principles of the Girl Scout Leadership Experience.

See Chapter 5 of Volunteer Essential for additional information and ideas for money earning activities.

5. Sponsorships, Donations and Grants

Sponsors help Girl Scout councils ensure that all girls in the community have an opportunity to participate in Girl Scouting. Community organizations, businesses, religious organizations, and individuals may be sponsors and may provide group meeting places, volunteer their time, provide activity materials, or loan equipment. The council, the troop, or service unit may already have relationships with certain organizations, or may know of some reasons not to collaborate with certain organizations. **Volunteers must obtain permission before seeking financial support from sponsor.** If your group or service unit has a sponsor, the sponsor's contribution can be recognized by sending thank you cards composed by the girls, inviting the sponsor to a meeting or court of awards, or working together on a service project. The contribution should also be reflected in the troop/group's financial records and report.

When collaborating with any other organization, follow these guidelines:

- **Do not participate in fund raising for other organizations:** Girl Scouts are not allowed to solicit money on behalf of another organization. This includes participating in a walkathon or telethon while in uniform. You and your group can, however, support another organization through take-action projects or by making a donation from your group's account.
- **Do not participate in political fundraisers:** When in an official Girl Scout capacity or in any way identifying yourselves as Girl Scouts, your group may not participate (directly or indirectly) in any political campaign or work on behalf of or in opposition to a candidate for public office.
- **Be respectful when collaborating with religious organizations:** Girl Scout groups must respect the opinions and practices of religious partners, but no girl should be required to take part in any religious observance or practice of the sponsoring group.
- **Avoid selling or endorsing commercial products:** A "commercial product" is any product sold in a retail establishment.

Donations

As a not-for-profit organization, Girl Scouts of Western Ohio must follow all IRS guidelines for a 501c3 organization. All Girl Scout groups (troops) and service units are an extension of the council, including the council IRS not-for-profit status. Therefore, all group and service unit finances are considered assets of Girl Scouts of Western Ohio. In order to ensure compliance with IRS and audit guidelines, Girl Scouts of Western Ohio has the following policies regarding donations and grants from individuals and organizations to Girl Scouts groups or service units.

- Girls may not directly solicit funds from individuals or organizations.
- Troops and/or service units must receive prior permission to request a donation. Troops should submit a *Project Funding Approval Form* to the service unit chair and the service unit should submit the form to the director of regional services. Both must have a current financial report on file at the council office.
- Troops and service units may receive a donation from any one individual or organization for no more than \$250 during the membership year (single donation or cumulative).
- **Any donation amount over \$250 must be turned into the regional Girl Scout center and will be the responsibility of Girl Scouts of Western Ohio. These funds will be directed to the council general fund to support program delivery for all Girl Scouts.**
- If donors are requesting a letter of acknowledgement for any amount (letters of acknowledgement will only be sent for amounts over \$250), the funds must be turned into the regional Girl Scout center using a Girl Scout Donor form attached to the check. Girl Scouts of Western Ohio will then send the donor a letter and reissue the money to the troop/group/service unit. If a donation is received without a Girl Scout Donor Form attached, it is assumed that this donation is to the Girl Scout general operational budget.
- All donations must be reported on the troop/group/service unit annual financial report.

Grants

- Girls may not directly solicit funds from individuals or organizations.
- Individual troops and service units may not solicit grants or financial donations from foundations or corporations.
- Prior to requesting or receiving funds, the troop or service unit must receive permission and submit a *Project Funding Approval Form* to the director of regional services and have a current financial report on file with the council.
- Troops and service units may receive up to \$250 during a membership year from companies that offer volunteer matching grants. These funds are to be used for special service projects conducted by the service unit, day camp, or troop.

Please contact your director of regional services to discuss any exceptions to the above.

6. Annual Reporting

All Girl Scout troops are required to submit information regarding the troop's finances annually as part of the appointment and reappointment process. New troops are required to submit an initial troop financial report within 30 days of opening a checking account. In addition, all troops including new troops must complete a final Troop Financial Report and submit a copy of their bank statement by July 31 each year.



Having a Troop Financial Report on file that includes names of two registered and approved volunteer signers is required for:

- Reappointment of the troop leaders
- Approval of troop trip forms
- Participation in the Girl Scout Product Sale
- Access to financial assistance

In addition, all financial transfers to troops or service units, including refunds, financial assistance and cookie proceeds will be made electronically, using the bank account information on the Troop Financial Report.

The Troop Financial Report form can be accessed, completed and submitted online at the council website. (gswo.org/financialreport).

What information do I need for my Troop Financial Report?

- Basic troop and bank account information.
- All income information including: membership registration dues, troop dues, program fees, Cookie or Fall Product Programs, other money earning activities, and other income.
- All expense information including: membership registration dues, supplies, program fees, service projects, earned recognition, and other expenses.

Financial Reports are due:

- **Within 30 days of opening a new checking account.**
- **By July 31 of each year.**
- **Within 30 days of completion of troop disbanding form.**

gswo.org/financialreport