

## Managing Troop and Service Unit Finances

Helping girls decide what they want to do, and coaching them as they earn and manage money to pursue their goals, is an integral part of the Girl Scout Leadership Experience (GSLE). Your Girl Scout troop plans and finances its own activities, with your guidance. At the same time, the girls learn many valuable skills that serve them throughout their lives.

Girl Scout troops are funded by a share of money earned through council-sponsored product program activities (such as the Girl Scout cookie program), troop money-earning activities (council-approved, of course), and any dues your troop may charge. This is in addition to the \$25\* annual membership dues that go to the national organization, (and the \$15 GSNorCal Council Service fee which pertains to girl memberships only). This MONEY chapter gives you the ins and outs of establishing a troop account and helping girls manage their troop's finances, practice successful product program techniques, review the safety requirements around the product program, and understand how to collaborate with sponsors and causes.

The girls should always make decisions together on how to spend their funds. All troop and service unit money legally belongs to the council to be used by the troop to pay for their Girl Scout activities. Everyone should understand that if they leave the troop that the money is not their personal property; under no circumstances would an individual take any portion of the money with her to use for non-Girl Scout purposes, including funding her college education. Further, the IRS has issued an advisory that non-profit organizations may NOT track individual "girl accounts". Per the IRS, "a section 501(c)(3) organization must not be organized or operated for the benefit of private interests. No part of the net earnings of a section 501(c)(3) organization may inure to the benefit of any private shareholder or individual." The IRS took the position that using the money raised in various fundraising activities to further the Scouting program was in accordance with their exempt purpose, but the creation of a reserve fund for individual girls within a troop (i.e., earmarked accounts) is not allowed.

Adult volunteers operate in a position of trust, and must avoid any appearance of financial impropriety:

- Girl Scout funds must never be held in personal accounts, even temporarily.
- Under no circumstances is it appropriate to borrow Girl Scout money for personal use, nor use Girl Scout money for personal expenses.
- Girl Scout adults should not loan money to the troop or service unit by paying for expenses beyond a nominal amount, except after previous discussion and agreement by troop or service unit members. Any expenditures made personally by Girl Scout adults should be reimbursed in a timely fashion.
- Businesses owned by troop adults should not transact business with a Girl Scout troop, except with the guidance of the council's Risk Management team ([insurance@gsnorcal.org](mailto:insurance@gsnorcal.org)).

## Registering Girls in Girl Scouting

Every participant (girl or adult) in Girl Scouting must register and become a member of Girl Scouts of the USA (GSUSA). GSUSA membership dues are valid for one year from October 1 through September 30. Membership dues are sent by the council to GSUSA; the additional Council Service fee per girl remains with GSNorCal. Membership dues may not be transferred to another member and are not refundable.

Pre-registration for the upcoming membership year occurs in the spring. Girls are encouraged to register early to avoid the fall rush. Early registration helps ensure uninterrupted receipt of forms and materials from the council, helps girls and councils plan ahead, and gets girls excited about all the great stuff they want to do as Girl Scouts next year. Girl Scout grade level is determined by the current membership year beginning October 1. Lifetime membership is available at a reduced rate for graduating senior and/or young alumni. A lifetime member must be at least 18 years old (or a 17-year-old high-school graduate) and agree to the Girl Scout Promise and Law.

## Financial Transactions

### Check Acceptance Policy

Troops and service units should not accept checks with amounts larger than \$60, post-dated checks, foreign or non-imprinted checks. Troops and service units are responsible for the handling of their funds and charges incurred in their accounts, such as returned checks.

### Online Bill Paying Services

GSNorCal has partnered with Cheddar Up, a leading group online payment collection platform, to give troops and service units an easy tool that connects to their bank account to collect payments, forms, and information online. Cheddar Up is free for troops and service units to use; there are no membership or transaction fees for the troop or service unit. GSNorCal does not receive compensation for troop or service unit use of Cheddar Up.

Cheddar Up offers two types of campaigns – family collection campaigns to collect payments from troop families, and a Point-of-Sale campaign to collect payments from external customers.

- Family Collection Campaigns: Payers can pay by credit card or eCheck. The \$0.45 eCheck convenience fee and credit card transaction fees are paid by the payer – not the troop or service unit.
- Point-of-Sale Campaigns: Payers can pay by credit card or eCheck. Related processing fees are not paid by the payer and are absorbed by the troop or service unit as a cost of doing business.

Alternatively, other online bill paying services may be used by troops and service units. It is important to note that not all online bill paying services may be connected to a business-type GSNorCal bank account, so understanding related Terms and Conditions is crucial to compliance. Per IRS guideline, GSNorCal is not responsible for any fees and/or taxes associated with these online bill paying services. **Troop and service unit leaders and volunteers should not use their own personal accounts to collect or manage Girl Scout funds or transactions.** This practice represents co-mingling of funds, which is strictly prohibited at the troop management level. *[See Money Owed to the Council or Taken/Borrowed from Girl Scout Troop Accounts]*

## Accepting Credit Card Payment

GSNorCal recommends those troops or service units who want to open and manage a mobile payment account use Square (our preferred vendor). Square provides troops a low transaction rate, and no monthly fees or inactivity fees. Troops are responsible for managing their accounts with Square and any resulting fees or liabilities (this applies for accounts with Square and other vendors).

Adults need to take the brief “[Accepting Credit Cards](#)” online course to ensure they understand the responsibility and liability of taking credit card payments and to receive specific Square registration and setup instructions. [MyGS \(https://mygs.girlscouts.org/\)](https://mygs.girlscouts.org/). Troops that have previously used other vendors, such as GoPayment or PayAnywhere, may continue to use those vendors. However, they should be aware that these other vendors may charge annual or inactivity fees, and may charge higher transaction fees than our preferred vendor.

**Troops** may use their Square or other mobile payment account that has been specifically opened for the troop and tied to the troop bank account to accept payments from families for their dues to the troop or payments for activities in addition to accepting payment from product program customers. If the troop will input the card number into the reader (rather than swiping the card at the time of payment), they must follow all guidelines to ensure safe handling of the sensitive personal information outlined in the Accepting Credit Cards online course and in Volunteer Essentials, such as not sending the card number via email or fax. [[MONEY: Safeguarding Members' Personal Information](#)]

**Service Units** may use Square or other mobile payment accounts to accept event registration fees or other payments from troops or individuals. However, these accounts must be set up using GSNorCal procedures and using the GSNorCal tax identification number to avoid co-mingling troop funds with personal funds. The service unit must use a Square account that is specifically opened for the service unit and tied to the service unit's bank account. To avoid co-mingling funds, they may not use a troop card reader that is tied to a troop account. If the service unit will input the card number into the reader (rather than swiping the card at the time of payment), they must follow all guidelines to ensure safe handling of the sensitive personal information outlined in the Accepting Credit Cards online course and in Volunteer Essentials, such as not sending the card number via email or fax. [[MONEY: Safeguarding Members Personal Information](#)]

## Money Owed to the Council or Taken/Borrowed from Girl Scout Troop Accounts

GSNorCal reserves the right to pursue collection efforts for unpaid money owed and/or prosecute to the fullest extent allowable under the law. Situations involving large amounts of money or product may require that a police report be filed, and/or be referred to the District Attorney for investigation. Additionally, individuals involved in delinquencies, theft, or misuse of troop funds (such as borrowing funds from the troop account for personal use) will face release from their current Girl Scout position and ineligibility for future appointment. Primary communication and collection attempts will begin and will be the responsibility of GSNorCal staff. Failure to repay the amount owed can result in immediate criminal charges, notification to creditors, referral for collection by an outside agency, and/or wages garnished.

### **Sales Tax and Non-Profit Organizations**

Some people believe that non-profit organizations do not have to pay sales tax. That is not the case in California. The only time that volunteers or GSNorCal staff do not pay sales tax is when the items will be resold. Selling crafts is permitted. If you have a project in mind that may include selling items or reselling any items on behalf of any Girl Scout troop, service unit or other group, please contact Member Services at [info@gsnorcal.org](mailto:info@gsnorcal.org) for guidance before purchasing your items.

### **The Purchase of Gift Certificates**

Troop and service unit funds cannot be used to purchase gift cards. There are tax implications when cash or gifts cards are given to an individual or another organization, no matter how nominal the amount. Federal law dictates that gift card recipients are considered an employee or independent contractor, with all of the requirements that employing an individual requires. This also means that the Federal government views gift cards as taxable income to the recipients.

**Please Note - SEPTEMBER 2024:** Wells Fargo has announced a change in process affecting new troop account requests. We are pausing new account approvals while a new process is implemented, but you can still submit a request to get in line! Change of signers for accounts opened prior to 9/24/2024 will be processed as usual.