

# Troop Financial Guidelines

## **OPENING YOUR ACCOUNT** *(adapted from the GSMH Getting Started Guide)*

Each troop needs to set up a bank account. If you're taking over an existing group, you may inherit a checking account, but with a new group, you'll want to open a new account. This usually happens when there is money to deposit, such as group dues or money from product sales or group money-earning activities.

Complete procedures for opening a bank account are available on the GSMH website. We strongly recommend that troops seek a "free" checking account that does not impose regular fees or require a minimum balance. All GSMH troop/group accounts must adhere to the following:

- Opened with the GSMH federal tax ID number with a 5-digit GSMH troop or group number; personal social security numbers should not be used for an account.
- All individuals responsible for handling troop/group funds are registered members of Girl Scouting and approved (background-checked) volunteers.
- Three signers must all have access to the account and cannot be related to each other.
- Do not participate in online banking. (Debit cards are permitted.)

A Troop/Group Bank Account Information form must be submitted to GSMH after a new account is created, and anytime thereafter when changes are made (such as new signers, mailing address, etc.).

## **MANAGING FUNDS** *(adapted from Girl Scouts, Spirit of Nebraska)*

Troop income earned through troop dues collection, product program, and money earning activities should be helping your girls and all the families to have a Girl Scout experience.

### ***1/3 Rule of Thumb***

Troops and girls should be learning to budget in a responsible and sustainable way. That means each troop should be working to minimize extra costs to themselves and to families. Funds may not be given directly to girls, although they can and should be utilized to benefit each girl throughout the year. A good rule of thumb to follow is a 1/3 rule:

- 1/3 to help cover costs of badges, registrations for the following year, and uniform pieces. All girls should have an opportunity to have a membership paid in full or part by their troop, even if they decide not to join the troop the following year.
- 1/3 covers field trips, meeting supplies, and ceremonies—that's right, only 1/3. Girls should be learning to use their resources wisely and learning the value of saving up for big trips and ideas.
- 1/3 for unexpected expenses (like a family who needs financial assistance, or an amazing opportunity that suddenly comes up), and larger expenses (like travel and take action projects).

### ***Volunteer Expenses***

Troop proceeds are intended to serve the troop at large, particularly the girl members. Troop members and families may vote to utilize proceeds for volunteers' membership dues, training fees, program chaperone fees, or books. However, troop funds may never be utilized for volunteers' personal

expenses such as fuel and apparel. Financial assistance is available for volunteers for membership dues, program fees, training fees, and books.

### **Best Practices**

It is a good idea to be transparent with families about troop funds and their usage. We strongly encourage troop leaders to:

- Provide receipts for parents whenever money is exchanged.
- Provide parents with regular financial updates or notification of how and when troop funds are spent.
- Allow parents to audit the troop checkbook and/or the annual troop financial report.
- Keep receipts for all purchases.
- Limit ATM/cash withdrawals for troop expenses, and keep receipts to document cash purchases for the troop.

### **Troop Financial Reports**

All troops and service units are required to submit a financial report annually. This report must be verified and signed by three unrelated adults and submitted by the deadline. Report forms are available on the GSMH website.

### **TROOP MONEY-EARNING PROJECTS** *(adapted from the GSMH Getting Started Guide)*

The Girl Scout program is intended to be a self-sufficient one. Although most troops find that the Girl Scout product programs provide adequate funds to support troop costs such as membership dues, uniforms, books, service projects, and badge activities, troops may elect to conduct additional money-earning activities during the year.

Because Girl Scouts of the Missouri Heartland, Inc. is the holder of a non-profit 501(c)(3) status, all troop money-earning projects (except the council-sponsored fall product program and Girl Scout Cookie Program) must be pre-approved by our resource development department. Complete guidelines and the Troop Money-Earning Project Application are available on your *Volunteer Resources* CD and our website.

Girl Scouts may not raise funds on behalf of other organizations, though they may choose to contribute troop funds to service projects and initiatives of their choice. Troops may also make donations, either material or monetary, to organizations of their choice.

### **Donations to Troops**

Troop leaders should contact the GSMH resource development department to discuss troop sponsorship.

Monetary donations given directly to troops may not be tax-deductible, as individual troops do not hold a non-profit 501(c)(3). Individuals may, however, designate donations to GSMH for specific troops or service units, and GSMH can ensure that the full amount of that donation is routed back to the troop. A

letter of restriction must accompany these donations and include the troop number, and leader's name or service unit number to ensure that GSMH can quickly get these funds to the troop or service unit for which they are intended. Troops and service units should allow at least two weeks for a check request to be submitted and approved and a check to be mailed to the appropriate individual. Please note: All gifts of \$250 or more must be routed through GSMH, regardless of whether the donor wishes to receive an official acknowledgement letter with tax information.

### ***Shared Funds***

Troop funds are shared by all members of the troop, and cannot be earmarked or designated for specific girls in dollar or percentage amounts.

### **FINANCIAL ASSISTANCE** *(adapted from the GSMH Getting Started Guide)*

To help ensure that everyone interested may participate in Girl Scouts, financial assistance is available for national membership dues (girls and adults), handbooks and uniforms (for girls), GSMH program events and summer camp, Girl Scout destinations, and volunteer trainings for adults. Financial assistance is reserved for those who demonstrate need; it is not a substitute for troop funds or product program proceeds. Financial Assistance Application forms are available on your *Volunteer Resources* CD and our website. Each applicant must submit a separate application; troop applications are not accepted.

### **CLOSING AN ACCOUNT**

Accounts must be closed when a troop disbands. They may also be closed when a troop changes leadership, splits into multiple troops, or needs to move the account to a different bank due to fees or location.

Before closing the account, the troop leaders and girls should discuss together what to do with the funds. Acceptable usage of remaining troop funds include:

- A final troop activity or program.
- Distribution to a new troop or troops, if girls are moving into other troops.
- Distribution to a sister troop or the local service unit to support other area Girl Scouts.
- Donation to the Juliette Low World Friendship Fund, the GSMH financial assistance fund, or another organization.

Funds may not be distributed to individual girls or families. If a troop does not select a specific use of remaining funds, they will be utilized for GSMH's financial assistance program.

Complete procedures for closing a troop account are available on the GSMH website.

### **Girl Scouts of the Missouri Heartland, Inc.**

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