

## Troop/Service Unit Banking Policies

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. With your guidance, your Girl Scout troop plans and finances its own activities. At the same time, the girls learn many valuable skills that serve them throughout their lives.

Girl Scout groups are funded by a share of money earned through council-sponsored product programs (such as the Girl Scout Cookie Program), group money-earning activities (council-approved, of course), and any dues your troop may charge outside of annual membership dues.

### Establishing the Checking Account:

If your troop is earning and spending money, the troop needs to set up a checking account! If new leadership is obtained over an existing troop, authorization from council to change signers on the current troop checking account is required. But with a new troop, you will want to open a new account. A troop/service unit bank account should be opened as soon as the troop has started collecting funds, such as troop dues, money from product programs or group money-earning activities. When the troop/service unit is ready to open an account, they'll complete the online form found on the council website on the Troop Banking page under Volunteer Resources. If you take over an existing troop bank account, you will also use the online submission form to request a change in signers before changes are made to the troop/service unit account. A new forming SU/Troop is not allowed to take over any previous disbanding SU/Troop bank accounts.

If an individual signer does not pass a credit check at the bank, the signer will not be allowed to handle troop funds and will not be able to apply at other banks for a troop checking account.

### Bank Account Policy/Account Set Up Procedure:

Bank accounts in GSCSA must be opened as a business account under the council's name and tax ID number. Due to audit regulations, GSCSA is the legal co-owner of every account and all troop accounts are always to remain accessible for our review.

Troop/service unit accounts can be set up at SmartBank, First Horizon, Pinnacle, Home Federal Bank, Eastman Credit Union, TVA Credit Union, or ORNL Credit Union. Other banking institutions can be used only **after approval** from the Financial Administrator.

Accounts must be set up as followed:

- Account Name: Girl Scout Council of the Southern Appalachians, Troop or Service Unit\_\_\_\_\_ (this may require two lines for the troop number to be visible on mailings, checks, etc.)
- GSCSA Taxpayer Identification Number is used in place of personal social security numbers. This is provided on the letter of authorization to be presented at your financial institution.
- The account address should be the mailing address of one of the authorized signers.
- Every account requires two, non-related (by blood or marriage or living in the same household) signers on the account.
- All bank account signers must agree to the *“Troop/Service Unit Bank Account Authorization Form and Volunteer Financial Agreement”* when requesting the letter of authorization.
- All bank account signers must be a current registered Girl Scout membership and have a current volunteer background check.
- **The Bank Signature Card must be filed with council no later than two weeks after opening the account. This must be submitted whenever signers are changed, or a new account is opened. The bank signature card can be submitted at [info@girlscoutcsa.org](mailto:info@girlscoutcsa.org)**
- Troop accounts are not to have Overdraft Protection or Courtesy Pay Privileges; authorized signers are required to opt-out at the time of account opening.
- Electronic statements or e-statements are allowed but must be available for printing.
- No volunteer’s name should be printed on troop or service unit checks.

#### Account Policies

- GSCSA reserves the right to review Troop and Service Unit bank accounts. Financial reviews are initiated at the full discretion of GSCSA. Selected troops/service units will be required to provide all bank statements with corresponding expense receipts, check registers and/or detailed cash record forms within 30 days of notice of audit.
- Petty cash not deposited in troop accounts should always be kept to a minimum. Examples of use of petty cash- change for cookie booths, to purchase local firewood for camping, events/locations that only accept cash.
- **Only in emergency situations should a debit card ever be used for a cash withdrawal from an ATM or cash back option. In the event an ATM withdrawal is done an itemized receipt(s) must be included with the annual financial worksheet and kept on file with troop records for three (3) years.**
- Each troop may have one checking account. Multiple or interest-earning accounts are not permitted.
- A Troop/Service Unit Finance Report shall be completed and submitted to GSCSA by June 15 each membership year. This form is submitted via the Volunteer

Toolkit to the Financial Administrator and maintained in troop files. Please remember to attach the December, January, February, March, April and May bank statements, as well as the detailed transaction list.

- Money raised by a Troop or Service Unit is used to further deliver Girl Scout programs and service. 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 may be used to benefit any individual (i.e., by purchasing gifts, gift cards, etc.)
- Troop/service unit funds are solely for the benefit of the girls within the troop/service unit and with their input.
- While we want families to participate in some troop activities at no time should troop funds be used towards any expenses for family and/or friends who are not registered Girl Scouts. Funds may be used by a family member who is a registered Girl Scout with approved background check and is chaperoning the event to meet the required safety ratio. Troop funds may be used to provide simple refreshments for a Girl Scout event such as a Court of Awards or a Girl Scout parent meeting.
- Troop funds cannot be co-mingled with personal accounts.
- Personal use of any troop/service unit funds at ANY TIME **is illegal and considered theft.**
- GSCSA takes misuse of troop/service unit funds seriously. If personal use of group monies occurs, GSCSA will begin collection procedures, taking legal action if necessary. However, the council will not reimburse the troop/service unit.
- Personal use of troop funds will subject the volunteer to dismissal from all GSCSA positions and may result in personal civil or criminal liability to a volunteer.
- In the spirit of having a transparent troop/service unit account used ONLY for group-decided expenses, all checks/payments equal to or greater than \$150 require approval from both authorized signers, except for council transactions. Signers could sign the receipt for the merchandise, the debit card receipt, or present some other statement that both parties knew about the purchase. All documentation should be kept with the rest of the troop banking records and submitted with the finance report.
- Overdrafts are the responsibility of the adult accountable for the charge. All funds must be deposited into the troop account with cash or money order by that person. When council and signers are notified of an overdraft due to insufficient funds, the account will be immediately audited by council.
- **Gift cards may not be purchased with troop/service unit funds as the IRS considers gift cards cash.**

## Practice and Procedures

- As a standard practice, one signer should hold the checkbook and/or the debit card while the other signer should receive the bank statements for reconciliation purposes. This is an internal control to demonstrate transparency of the troop/service unit's finances to all volunteers, parents/guardians, council staff, and girls. Authorized signers are responsible for verifying itemized receipts for all troop/service unit expenses, including reimbursements, and ensuring that receipts are kept with the corresponding bank statements. All records must be available to GSCSA staff upon request and retained for a minimum of seven years (per IRS). All banking information should be made available to parents and girls for review at each troop meeting and upon request. Council recommends monthly financial reporting to the troop members and parents.
- The purpose for writing a troop check should be noted in the memo line. This is good practice as it helps reconcile receipts with the monthly bank statement.
- No check should ever be signed with the payee left blank and no check should ever be made payable to cash. If cash is needed for change for cookie booths, or to make purchases for the troop, a check should be written, payable to the troop, and the purpose for the cash noted on the memo line. Signed by one authorized signer and cashed by the other. Only in emergency situations should a debit card ever be used for a cash withdrawal from an ATM.
- While online banking access is allowed for downloading e-statements, transferring of funds or transactions with PayPal accounts are not allowed. Cheddar Up is permitted to allow for online payments to and from troop parents. <https://my.cheddarup.com/c/cheddar-up-opt-in-girl-scout-council-of-the-southern-appalac/forms>

Failure to comply with these policies may result in appropriate council action including, but not limited to, staff oversight, termination from volunteer position, restrictions on further troop/service unit fundraising activities, and/or charges filed with the local authorities.

An Individually Registered Girl (IRG / IRM) is not permitted to have a bank account, even if there is more than one signer on the account.

Troops should be as self-supporting as possible. The goal is for the troop to earn enough funds to pay for anticipated program activities including membership and uniforms without asking for funds from parents. Participating in money-earning projects gives girls the opportunity to develop these five important life skills: goal setting, decision making, money management, people skills, and business ethics.

Refer to *Troop Teams Manual* for policies and recommendations for money-earning projects, product program debits, financial assistance, and other troop guidance.

### Debit Cards:

All troops should have a debit card. A debit card will only be issued to one troop bank account signer and should be used for most troop purchases. Credit cards will not be authorized as troops and service units are not permitted to borrow money.

### Checks:

All troops should have checks for reimbursements, or as a back-up payment method should debit cards become unusable. All checks accepted and deposited on behalf of GSCSA into a troop account must include name, residence address (no P.O. Boxes), and phone number with area code. Temporary checks and checks lacking this information should never be accepted. If possible, use the reference line to list the troop number and activity (example: Troop 1111/cookies). While troops may accept checks, we suggest that these only be from well-known trusted sources. For example – troops might accept a check from a troop family, but not accept a check at a cookie booth from a stranger. Recovery of funds for returned checks and any related bank fees are the troop's responsibility.

### Reimbursements:

Reimbursing volunteers and/or parents should only take place when the troop's debit card or check cannot be accepted and there is no petty cash on hand. In the event a reimbursement needs to be issued the Troop/Group Expense Reimbursement Request must be completed.

- Original receipts for each purchase listed must be attached to this form (including online purchases)
- Approver must be an adult and may not be related to, or live with, the person being reimbursed
- Payment should be made by check; the check may not be signed by the person being reimbursed
- Requests must be submitted for approval to signer on troop/SU's account within 30 days of purchase. All requests submitted after 30 days of purchase will be considered donations of good and/or services and therefore will not be reimbursed
- Reimbursement must be in the form of a check. Using the troop account or debit card to cover personal expenses in lieu of reimbursement is not acceptable and will be considered misappropriation of funds
- The request form must be kept on file with the troop and submitted with the financial worksheet when reimbursement is made. Please keep a copy for your personal records

### Troop/Service Unit Finance Report Guidelines/Procedures:

End of Year Finance Reports, with attached December, January, February, March, April and May bank statements, must be submitted by June 15<sup>th</sup> each year. If the troop disbands during the year, bank statements for the last six months received must be

submitted no later than June 15. A detailed transaction report and the bank statements will need to be uploaded via the VTK Finance report. Girl Scout councils are required by GSUSA and the IRS to make sure that proper records of troop/service unit funds are maintained and kept on file at the Girl Scout council. Every troop administrator and all account signers are responsible for accounting for all troop/service unit funds. A copy of the Troop/Service Unit Finance Report should be made available to girls, parents, service unit managers, and council staff at any time. The finance report information may be computer-generated from a money management program, such as Quicken, Excel, or Access and transferred to the council form or Volunteer Toolkit. Encourage girls to help track finances throughout the year!

### Transferring Troop Funds

Money raised by a troop is used to further the Girl Scout program. 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 may be used to benefit any individual. Incentives are awarded to girl members for the hard work and dedication they put forth during cookie and fall product programs. When a troop splits creating a new troop the troops funds may be divided. A troop splitting is when 30% or more of the girls leave the troop to form one new troop or join an existing troop. When a troop splits, the Troop Administrator needs to provide the girls with all earned recognitions immediately. The Troop Administrator also needs to know the troop number of the girls' new troop, the new Troop Administrator's name, and address.

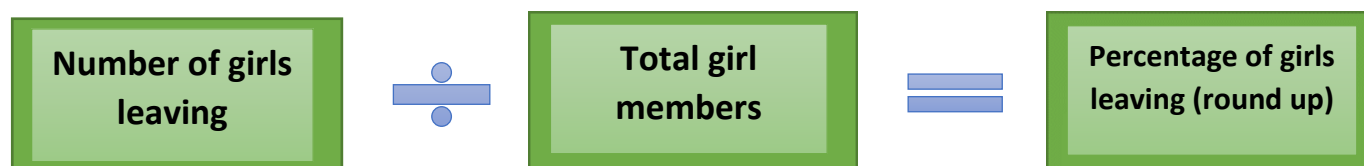
- **The Troop Administrator/Troop Treasurer will make a check out to the troop the girls will move into and send to the leader within 30 days.**

- **The Troop Administrator needs to notify the council of the change, so the membership records can be changed to reflect the new troop.**

**The Troop Administrator will calculate the amount of troop money that should follow the girls to the next troop per the following formula:**

Total amount of money in troop account divided by the TOTAL number of girls in the troop (not just those that come to the meetings all the time) multiplied by the number of girls moving = the amount that goes to the new troop. **The troop cannot separate the funds based on each girl's product sales, dues and expenses paid etc.**

**To determine your percentage of girls leaving:**



**Ex.**



**Ex.**



### Product Sales

At the beginning of product sales, the “**Troop Agreement Form**”, must be completed by all troops to ensure that the responsible appointed individual for each troop agrees to take responsibility of the troop product manager role. In addition, this form requests troop account information including the routing number (NINE-digit number- can be found at the bottom of your checks) and checking account number. It is each troops product managers responsibility to provide the **CORRECT** information. Include ALL digits in your routing and account numbers (including the zeros if the number begins with zeros) as shown on your checking account number. The number as presented on the form is the number Council will use. To avoid confusion, the form is NOT requesting any personal account information. It is only requesting Troop account information.

When this form is completed, it is important to provide **ALL** correct information. Do not put all zeros for the troop routing number or bank account number in lieu of the correct account number.

Troop treasurers are **RESPONSIBLE** for making sure the Financial Administrator at Council has the correct routing and checking account number for each Product ACH (electronic money-transfer system) withdrawals. In addition, Troop Treasures hold the

responsibility to ensure all funds collected are deposited in the account by the correct dates provided. Once the ACH has been processed, funds remaining in the troops' account are the girls' troops proceeds.

## Disbanding Troops

A disbanded troop is a troop that is no longer meeting or a troop that has not been registered for at least three months from the expiration date of the last registration. Funds and equipment of disbanded troops/service units are the property of the Girl Scout Council of the Southern Appalachians and will be returned for keeping at the council. If the reorganization of the troop/service unit does not take place within 12 months, the resources will be used by the council in the interest of Girl Scouting.

### Disbanding Troop Closing Account Policy/Procedure:

- A final Troop/Service Unit Finance Report is to be filed with the council along with a Disbanding Troop Form upon disbanding the troop/service unit.
- Prior to disbanding, the group must decide how to handle any remaining funds.
- The girls may choose to donate any unused funds to a worthwhile non-profit organization, to another troop, or use them for girl activities. Appropriate documentation for donation should be submitted to council with the Disbanded Troop Report.
- At no time, may a troop refund dues/expenses paid or distribute cash or cash equivalents to the girls or other individuals.
- If girls will be continuing to participate in Girl Scouts, divide the troop balance by the percentage of girls continuing and send their portion to their new troops via check or cashier's check made payable to the girls' new troop. This transfer of funds must take place within 30 days of the girl transferring to the new troop.
- If one or more girls decide to become an Individually Registered Girl (IRG / IRM), then their funds are sent to the finance department at the Council to be placed in a custodial account for individually registered members.
- The troop bank account must be closed. As when closing a personal account, be sure all checks and other debits have cleared the account before you close it and realize that you may have to close the account in person. Council will close any account that is not closed by the troop leader within 30 days of becoming a disbanded troop.
- Send any remaining funds to the GSCSA Finance department. The closing of the account and transferring of funds to GSCSA must take place within 30 days of the troop disbanding.
- Unused funds left in Girl Scout accounts when troops disband become the property of GSCSA and will be used for future girl programming.
- If a troop becomes inactive and is no longer registered for 3 months, GSCSA will remove the funds from the account and place them in custodial holding for one year. If the girls do not return to Girl Scouting after that year, those funds will go toward girl programming.



Any questions may be emailed to [troopbanking@girlscoutcsa.org](mailto:troopbanking@girlscoutcsa.org) or you may call for GSCSA troop banking (800) 474-1912.

For ALL Forms & Instructions:

- [www.girlscoutcsa.org](http://www.girlscoutcsa.org)
- Members
- For Volunteers
- Volunteer Essentials
- Troop Finances