

Troop Financial Information

The Council requires all troops/groups/service units to establish a bank account and the troop/group/service unit treasurer to complete applicable Council training. The bank account must be used solely to support the Girl Scout program. In addition, each troop/group/service unit shall maintain accurate income and expense records. They will submit financial reports as required by council procedures or anytime requested by Council staff.

Troops/groups work and communicate with the Service Unit Treasurer (SUT) to coordinate all bank changes. If a troop/group does not have a SUT, they work and communicate with the Senior Troop Finance Liaison (STFL).

Opening a Troop/Group Bank Account

- ▶ Contact SUT or STFL to set up a troop/group account with the bank. They will have the most current letter signed by the CEO authorizing the opening of the bank account.
- ▶ Accounts should be titled 'Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas.'
- ▶ The second line on the account should be titled 'troop (number).'
- ▶ All accounts require a minimum of two (2) unrelated signers associated with the specific troop/group.
- ▶ All accounts require the SUT or Service Unit Director (SUD) as a signer with online view access to the account.
- ▶ Council staff are not allowed to be signers on a troop/group account but may have certain rights due to using the council's tax identification number. These activities include suspending an account, closing an account, and viewing transactions.
- ▶ The signers must be unrelated, registered members with current background checks.
- ▶ Only one signature is required on checks.
- ▶ Troop/group debit cards are allowed, two per troop/group.
- ▶ Bank statements must be sent to one of the signers on the account and not the Council's corporate address.
- ▶ Once the bank account is established, all signers must present identification and complete the signature card.
- ▶ Within 30 days of opening an account, the Troop/Group Treasurer must submit a Service Unit/Troop/Group Bank Information Agreement form to the STFL.
- ▶ Troop/Group Treasurers must complete a Troop/Group Treasurer Position Description form and turn it into the STFL.
- ▶ All troop/group accounts must participate in the CheckAlert LLC Service Agreement. This service will assist troops in collecting outside bad checks. The checks must be deposited within 30 days of receipt for effective collections.

Opening a Service Unit Bank Account

Most service units already have established, active checking accounts. However, there may be a need to open a new account or close an existing account.

- ▶ Contact STFL to set up a service unit account with the bank. The STFL will have the most current letter signed by the CEO authorizing the opening of a bank account.
- ▶ Accounts should be titled 'Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas.'
- ▶ The second line on the account should be titled 'service unit (name).'
- ▶ All accounts require a minimum of two (2) signers, including but not limited to two of the following: Service Unit Director, Service Unit Treasurer, Service Unit Product Manager, or other service unit positions.
- ▶ Council staff are not allowed to be signers on a service unit account but may have certain rights due to using the council's tax identification number. These activities include suspending an account, closing an account, and viewing transactions.

- ▶ The signers must be unrelated, registered members with current background checks.
- ▶ Only one signature is required on checks.
- ▶ Service unit debit cards are allowed; two per service unit.
- ▶ Bank statements must be sent to one of the signers on the account and not the Council's corporate address.
- ▶ Once the account is established, all signers must present identification and complete the signature card.
- ▶ Within 30 days of opening an account, the Service Unit Treasurer must submit a Service Unit/Troop/Group Bank Information Agreement form to the STFL.
- ▶ Service Unit Treasurers must complete a Service Unit Treasurer Position Description form and turn it into the STFL or Volunteer Experience Specialist.
- ▶ All service unit accounts must participate in the CheckAlert LLC Service Agreement. This service will assist service units in collecting outside bad checks. The checks must be deposited within 30 days of receipt for effective collections.

Maintaining a Girl Scout Bank Account

Troop funds are for all girls' benefit and should be spent in the year the funds are earned unless the troop has long-term plans. The Troop Treasurer is responsible for coordinating deposits, expenditures, and financial reporting to the girls, parents, volunteers, and the council. The management of funds must be transparent for the girls, parents, volunteers, and the council staff. The Service Unit Treasurer is responsible for providing local training and ongoing support to troop volunteers.

Purchases

- ▶ Use a debit card or troop/group/service unit check for troop/group/service unit expenses whenever possible to provide a detailed accounting of monies spent.
- ▶ Keep receipts for all expenditures. Use the Lost/Missing Receipt form when there is a lost or missing receipt. Contact SUT or STFL for this form.
- ▶ All purchases must be Girl Scout-related. Any other type of expense is considered misuse of Girl Scout funds and could result in an audit of troop/group/service unit financials and forfeiture of account privileges.
- ▶ Use the tax-exempt form for all purchases. Contact SUT or STFL for this form.
- ▶ Purchases should not include any personal items and are within the troop/group/service unit budget.
- ▶ Troop funds should be spent on GSUSA membership dues, girl recognitions, trips, appropriate volunteer training, troop supplies, etc.

Debit Cards

- ▶ Troops/groups/service units are allowed two debit cards per bank account. The cardholder must be an authorized troop/group or service unit signer.
- ▶ Volunteers who have been issued a debit card for a troop/group or service unit bank account are responsible for all purchases made using the card.
- ▶ If the debit card is lost or stolen, please contact your banking institution immediately for specific instructions to report lost or stolen debit cards. Also, please get in touch with the SUT or STFL to inform them of this situation.

Cash

- ▶ Use of cash should be avoided by the troop when possible.
- ▶ An ATM withdrawal receipt or any other form of cash withdrawal from the bank account does not qualify as a receipt for reimbursement.
- ▶ All purchases made with cash require detailed documentation and receipts of expenditures.

Reimbursements

- ▶ No reimbursements are to be given to a volunteer or parent without a detailed receipt.
- ▶ If a signer on the account or a member of their family receives reimbursement for purchases, one of the alternate signers must review the receipt and make the reimbursement.

Tips to help ensure good record keeping

- ▶ All signers on a Girl Scout bank account must be current volunteers and maintain good financial standing.
- ▶ All troop/group/service unit expenses should be paid for by a troop/group/service unit check or debit card.
- ▶ Troops/groups/service units should plan a budget to support Girl Scout activities.
- ▶ Sufficient funds must be in the account before writing a check to avoid insufficient funds and bank fee charges.
- ▶ Insufficient funds that result in charges from the bank must be taken care of immediately.
- ▶ All money received from the product program should be receipted and deposited immediately, but no longer than 30 days in case of a bounced check.
- ▶ For security and safety of the troop/group/service unit leadership, troop/group/service unit monies should not be held in houses, cars, or other locations.
- ▶ Troop/group/service unit payments to the council should be handled by troop/group/service leadership.
- ▶ After making a purchase in the troop/group/service unit account, take a few minutes and write on the receipt. Ex. Girl Scouts – Twilight Camp or Girl Scouts – Awards Ceremony.
- ▶ All debits and credits should be recorded in the cash register. This includes debit card charges or written checks. The treasurer should reconcile bank statements monthly.
- ▶ No PERSONAL expenses should be paid using a troop/group/service unit bank account, and no troop/group/service unit money should be deposited in a personal bank account. These two must be kept separate.
- ▶ Keep all receipts to verify payment of troop/group/service unit expenses. Zipper bags are helpful to keep physical receipts, or the treasurer may opt to keep scanned copies.
- ▶ Having two adults to help with counting and completing deposit slips will act as a check and balance for accurate deposits during product sales.
- ▶ All troop/group/service unit financial records (deposit slips, receipts, check register, etc.) should be available for girls, parents, volunteers, and council staff review.
- ▶ Service unit funds are for the benefit of the entire service unit. They should be used to host service unit events, pay membership fees for girl/adult financial aid, girl/adult recognitions, trainings, etc.
- ▶ Using the Detailed Cash Report is helpful when completing the troop/group/service unit financial report. Alternatively, using financial software such as Quicken will help with categories.
- ▶ Do not wait until there is a problem or the problem is out of control to ask for help. Be proactive!

Budget Development

Before the beginning of each membership year, troops/groups/service units should develop a budget for the upcoming membership year. Even though it is a challenge to determine income for the new year, returning troops/groups/service units can use the previous membership year as a guide to develop a budget. Troops/groups should budget expenses such as membership fees for returning girls, girl recognitions, program books, uniform pieces, event fees, trip fees, etc. Service units should budget expenses such as financial assistance for new girls and adults committed to a leadership role for a troop, girl and adult recognitions, hosting service unit events, adult training fees, program books, uniform pieces, etc.

Troops/groups/service unit funds are not the property of one individual. Girl Scout funds are used only for Girl Scout-related purposes, and the group's usage of funds is to be decided by the majority rule.

Annual Reporting

Troops/groups/service units must submit an annual financial report. The council's due date will be designated each program year and submitted to your Service Unit Treasurer. Service units will submit their annual financial report to the Senior Troop Finance Liaison. Troops/groups/service units not submitting reports will be subject to a review of volunteer status and/or financial audit. The council will also hold any pass-through contributions until financials have been submitted.

- ▶ To complete the report, you will need the following supporting documentation: 12 months of previous bank statements from the date designated by the council, receipts supporting expenditures, and a sales summary for fall product and cookie sales. In addition, service units will need disbanded troop funds report (if applicable).

- ▶ Ending balances should reflect the balance on the most recent bank statement.
- ▶ Please submit a copy of the annual financial report and supporting documentation to your Service Unit Treasurer or complete it through the volunteer toolkit finance tab.
- ▶ If there is no Service Unit Treasurer assigned, submit the troop financial report and supporting documentation to the Senior Troop Finance Liaison.
- ▶ Once Service Unit Treasurer reviews and signs off on the troop financial report, they will send a copy of the troop financial report and supporting documentation to the Senior Troop Finance Liaison.
- ▶ Troop Treasurer should retain a copy of their troop financial report and supporting documentation.
- ▶ The Service Unit/Troop Treasurer needs to keep accurate, legible, and complete records of the troop's finances in case of an audit of troop records.
- ▶ Please fill out a Lost/Missing Receipt form in case of a lost or missing receipt.
- ▶ Service units are also required to hold and report disbanded troop funds.

Financial Audit

An audit of the financial records of the troop/group/service unit may be requested by a parent, troop leadership, service unit leadership, or staff. The Senior Troop Finance Liaison will follow up on any requests and determine if an audit will be done. If an audit is deemed appropriate, the volunteer under audit will be removed as a signer on the troop/group/service unit account and the no sell list until the audit is completed.

Outside Insufficient Checks

All troops/groups and service unit accounts will participate in the CheckAlert LLC Service Agreement. This service will assist troops/groups and service units to collect on outside bad checks.

- ▶ CheckAlert handles our “hot checks” for our troops and service units. If your contact information, email address, and street address have not changed and you have not changed banks, there is no need to submit a new form each year. However, if you have had one of these changes, the treasurer should submit a new form to CheckAlert. CheckAlert will update your information and redirect your returned checks from your new bank to CheckAlert.
- ▶ It is essential to include your email address on the CheckAlert form so they can contact you.
- ▶ Pertinent information should be obtained when accepting a check (in case of prosecution); Current address (street address, not a PO Box), phone number, driver’s license, and date of birth. Please verify that the person writing the check is the person on the check.
- ▶ All checks must be deposited into the bank within 30 days of receipt.
- ▶ When a “hot check” is written to a troop/group or service unit, the bank should automatically send the check to CheckAlert. Their offices are in North Little Rock at 5020 Northshore Drive, Suite #5. Their mailing address is CheckAlert LLC – PO Box 13560 – Maumelle, AR 72113. The telephone number is 501-227-5141. The contacts are Paula and Kelly.
- ▶ The completed CheckAlert form must be mailed to CheckAlert LLC – PO Box 13560 – Maumelle, AR 72113, faxed to 501-227-5742, or emailed to kelly@checkalertusa.com.
- ▶ You are not allowed to collect any money for a “hot check.” Once a check has been sent to CheckAlert, they must oversee collections because of electronic collections and prosecution costs. You will be charged if you collect money and do not collect CheckAlert’s fee.
- ▶ The State of Arkansas charges a \$30 fee for each “hot check.” CheckAlert can also collect any bank fees to your troop/group or service unit account for the “hot check” upon your request.
- ▶ Please direct all payment inquiries to CheckAlert. A warrant for arrest is issued on an unpaid check; if you collect money and do not inform CheckAlert, you open the door to a lawsuit against yourself and your troop for the false arrest of a check writer. **DO NOT ACCEPT MONEY FOR RETURNED CHECKS.**
- ▶ CheckAlert will send an email to the leader and the treasurer to let you know they will receive a check. If your email address has changed, please update it with CheckAlert immediately. Otherwise, they cannot inform you of your returned checks.

- ▶ CheckAlert will run the check through the bank if it is returned for insufficient funds (NSF) the next day after it is received in their offices. If the check pays, they will send you the face amount and your bank fee if you have one. This is called “representation” or “electronic collection.” It takes seven (7) days to get results on the first re-presentation.
- ▶ If the money is unavailable after the first re-presentation, they will rerun the check on the eighth (8) day to try and hit a deposit.
- ▶ If the check is still not paid after the second re-presentation, they will send a letter demanding payment and begin telephone calls to the check writer.
- ▶ After 45 days, if the check is not paid, it will be turned over to the Prosecuting Attorney, and a warrant for arrest will be issued for the check writer.
- ▶ If the check is returned for ACCOUNT CLOSED, the process starts with the letter and a telephone campaign for the collection.
- ▶ The troop/group or service unit will receive the check amount and reimbursement of your bank fee. They have a list of fees charged by banks and they must confirm that your account has a fee for returns. YOU MUST INFORM CHECKALERT OF YOUR BANK FEE if you want to be reimbursed for it.

Third Party Payment Services for Troops/Groups/Service Units

- ▶ Troops/groups/service units can use payment services such as PayPal, Venmo, Cash App and Cheddar Up for volunteer and parent transactions.
- ▶ Troops/groups/service units should read the provider’s terms and conditions and know that they are opting into their service at the troops/groups/service unit’s discretion and risk.
- ▶ If troops/groups/service units choose to use an outside card payment service, the only account that should be attached is the troops/groups/service unit’s bank account. Personal bank accounts, credit cards or debit cards should not be attached.
- ▶ Troops/groups/service units cannot charge customers transaction fees. Any fees incurred are the responsibility of the troop/group/service unit. Familiarize yourself with the service provider’s transaction types and related fees.
- ▶ Troops/groups/service units using PayPal should instruct volunteers and parents to use the “friends and family” option, so that they won’t be charged a fee. Other payment services may have a similar option as well.
- ▶ Troops/groups/service units must keep appropriate documentation and be explicit in the notes when sending money through a service provider. For example, money being collected for an event such as World Thinking Day should include the following information in the transaction description, based on if it is for a troop or service unit:

Service Unit Event: World Thinking Day – Girl/Adult Name – Troop #####

Troop Event: World Thinking Day – Girl/Adult Name

- ▶ Troops/groups/service units cannot use these payment services for product program transactions with customers because it violates the user agreements and can be risky. Product Program recommends Digital Cookie for card payments for product program transactions with customers because it is integrated into our Cookie Program and is free of fees.
- ▶ Transactions through card payment services must be troop/group/service unit related. There should be no personal transactions made through the account. Some examples of transactions include troop dues, event fees and payment for uniforms.
- ▶ All current, approved troop/group/service unit bank account signers should also have access to the outside card payment service that was set up for troop/group/service unit use.
- ▶ Troop/group/service unit treasurers should make the transaction transfers to the troop/group/service unit accounts. They are the account managers and are responsible for reporting.

- ▶ Please be transparent when using these types of payment services. Troop/group/service unit treasurers should make transaction details for third party payment services available when requested by volunteers, parents or council staff.
- ▶ As a best practice, we recommend transferring funds from a third-party payment service to the troop/group/service unit account based on activity rather than transferring all funds at once. For example, a troop can transfer all funds that were submitted for troop dues in one transaction. The troop would then transfer all funds that were submitted for an event in a second transaction. These deposited amounts can then be tracked more accurately for troop and service unit financial reporting and can be reconciled against event rosters and receipts.
- ▶ Receipts are required for exchange of funds or products. When paying through a third-party payment service, the bank or credit card statement should have the transaction detail and can take the place of a physical receipt.
- ▶ Troop/group/service unit that utilizes a third-party payment service may receive a 1099-K from the Internal Revenue Service if the total amount paid to the troop/group/service unit is greater than \$600 in a calendar year. No action needs to be taken by the volunteer if guidelines above are followed.

Closing a Troop/Group/Service Unit Bank Account

If a troop/group/service unit is no longer continuing with Girl Scouts, the troop/group/service unit bank account needs to be closed. Girl Scout funds do not become the property of any individual girl or adult. At no time will funds be refunded directly to girls or their families. Instead, the troop/group/service unit may donate remaining funds to a nonprofit organization, another troop/group/service unit, financial assistance, or girl activities.

- ▶ Contact the Service Unit Treasurer or Senior Troop Finance Liaison to help close the troop/group/service unit bank account according to council procedures.
- ▶ Be sure all checks and other debits have cleared the account before closing.
- ▶ The treasurer should submit a final financial report to the Service Unit Treasurer or Senior Troop Finance Liaison detailing how all the funds were used by the troop/group/service unit.
- ▶ The troop/group leader or service unit director must return all remaining money, property, and equipment to the service unit or council staff within 30 days of disbanding.
- ▶ Debit cards and checks should be canceled and destroyed.
- ▶ Troop/Group/Service Unit dormant accounts that are over one year will be closed, and the remaining funds will revert to the council.

Distribution of Troop/Group/Service Unit Funds

Below are the various distribution methods for troop/group/service unit funds:

A **disbanded troop/group** is a troop/group that decides not to reregister, ages out of the Girl Scout program, or is non-compliant with the council.

- ▶ If girls join other troops/groups, the remaining troop/group funds are divided by the number of girls when the troop/group disbands. A proportionate amount will follow the girls to their new troops. The Service Unit account will hold the remaining troop funds as restricted for 12 months from the disbandment date before being absorbed into the Service Unit general fund. Example: A troop of 10 girls has \$1,000 and disbands. Six girls move to different troops, and four girls do not go to new troops. The new troops will get \$100 per girl, and the service unit will receive \$400 to hold as restricted.
- ▶ If a girl becomes an Individual Registered Girl (IRG), a proportionate amount will be held in the service unit account for this girl.
- ▶ If there is no functioning Service Unit, the Council will hold the remaining troop/group funds as restricted for 12 months from the disbandment date before being absorbed in the Council general fund.

A **merged troop/group** is when the girls from one troop/group merge with another troop/group.

- ▶ The funds from both troops/groups are combined into one account.
- ▶ The troop/group treasurer must submit a final financial report for the no longer active troop/group within 30 days of the merger.

A **merged service unit** results from one of the service units no longer meeting the criteria for a functioning service unit per Council procedures.

- ▶ The funds from both service units are combined into one account.
- ▶ The service unit treasurer must submit a final financial report for the no longer active service unit within 30 days of the merger.

A **split troop/group** is a troop that splits into two or more troops/groups. Splits are most common when a troop/group wants to split by level or decrease troop/group size.

- ▶ If the majority of the troop/group decides to split into multiple troops/groups, it is appropriate for the troop/group to divide the funds proportionately based on the number of girls in the troop/group. Example: A troop of 10 girls has funds of \$1,000. The troop splits into two troops of six and four. The troop of six will receive \$600, and the troop of four will receive \$400.

Girl(s) leave an active troop/group is when one or more girls move from one troop/group to another troop/group or becomes an IRG. If a troop/group is no longer convenient for a girl scout and her family, the girl may request a transfer to another troop/group.

- ▶ No funds are transferred unless the troop/group votes to transfer a proportionate amount to the girl(s) new troop/service unit for IRGs, but it is not mandatory.

Distribution of Troop/Group Funds Summary

Troop/group disbands, some of the girls continue in Girl Scouts	Funds are divided by the number of girls when the troop/group disbands. A proportionate amount will follow the girls to their new troops/groups, or service unit if they become an IRG.
Troop/group disbands, no girls continue in Girl Scouts	Funds are held as restrictive by the service unit for 12 months from the date of disbandment before being absorbed in service unit's general fund.
Troops/groups/service units merge	Funds combine into one account.
Troop/group splits	Funds are divided by the number of girls when the troop/group splits. A proportionate amount will follow the girls to their new troops/groups.
Girl(s) leaves active troop/group	No funds move unless the troop/group votes to send a proportionate amount to the girls' new troop.

Mismanagement of Girl Scout Resources

Some examples of mismanagement of Girl Scout resources would be, but are not limited to:

- ▶ Using troop/group/service unit funds or property for personal use or non-girl scout related purchases
- ▶ Funds spent without troop/group/service unit approval. Funds should be for the benefit of the whole troop/group/service unit.
- ▶ Commingling troop/group/service unit funds with personal funds
- ▶ Owing a debt to the Council

The Council reserves the right to immediately restrict or suspend a volunteer if we have reason to suspect mismanagement of Girl Scout funds or property. Evidence of mismanagement will result in loss of volunteer status and may be subject to legal action.