

Girl Scouts of Middle Tennessee Troop Finances

Financial literacy is one of the most important lessons girls learn as they participate in Girl Scouting. Girl Scout leaders act as a guide by showing girls how to plan, carry out and evaluate money-earning activities. The troop budget, created from dues and profits from Girl Scout-sponsored product program activities, should cover most activity expenses. Helping girls estimate costs and learn how to budget their money will lead to good money management skills.

Troop Budget Development

The amount of money needed in a troop treasury should be determined by plans set by the girls (after planning their calendar of activities). The girls should develop a budget to implement those plans and be able to describe when and how they will use the money. All girls should participate in the decisions and goal setting. The amount of money raised may not exceed the amount needed to support group activities.

Girl Scout troops should be realistic about the scale of their projects and trips and choose activities that can be funded by their participation in Girl Scout-sponsored product programs and other money-earning projects permitted by Girl Scout policies and practices.

Money that is earned should be spent in order to benefit the girls who helped earn it. Money in a troop account belongs to the troop and not the individual girl. It is to be used for Girl Scout activities. Money should generally be used within the year that it was earned to cover the costs of activities that year. It should only be carried over to the next year when a group is planning for a large event or trip. Girls may contribute a portion of their troop treasury to charitable organizations or projects they consider worthwhile.

Troop Money Earning Projects

The top priority money-earning activities for all Girl Scout troops are the product sales, both the Fall Product Program and the Cookie Program. In order to earn the most troop income and support Girl Scout programming provided by our organization for all Girl Scouts, it is strongly recommended that troops put these two money-earning events at the top of their troop budgeting plans, before seeking other means of support.

A troop must have participated in the most recent Fall Product Program and Girl Scout Cookie Program (for which they were eligible) in order to conduct other money earning projects. Should troops need additional funds after conducting the

Fall Product Program and Girl Scout Cookie Program, they may conduct a troop money-earning project. (*Refer to money earning guidelines in Safety-Wise and GSUSA's age-level appropriate Leader's Guide.*) Troops should determine their budget from the income sources already stated, and then plan their activities. Permission must be obtained prior to conducting a troop money-earning project other than a Girl Scout sponsored money earning program. See the list below for projects that can be approved by the service unit manager. All other money-earning projects must be submitted to the volunteer resource manager.

Fundraising to support the Girl Scouts is the responsibility of adults, and this responsibility should not be placed with girls. See *Safety-Wise* standards on pages 28 and 29 for detailed information. Troops must provide a service or product to earn money for their troop. Troops or their leaders may not ask for or take a direct monetary contribution for their troop treasuries (see sponsorship).

If the money-earning project your troop wants to do is on the list below, submit the Permission for a Money-Earning Project application to your service unit manager at least two weeks prior to the project.

1. Recycling
2. Garage sales
3. Arts and crafts exhibits and sales
4. Flower shows and sales
5. Doll, pet or hobby shows
6. Baked goods or homemade candy sales
7. Troop dramatic productions
8. Serving banquets or special dinners
9. Car washes
10. Household/community services

If your project is different from those on the list above, submit your Permission for a Money-Earning Project application to the volunteer resource manager for approval at least **one month** before the date of the project and before any final plans are made.

Sponsorship

Girl Scouts wants to develop and maintain strong relationships in the communities where our members reside. Sponsorship is a means for Girl Scouts to connect with members of the community and to establish good relationships. It also provides support structure for an individual Girl Scout troop/group. Community organizations, businesses, or individuals can be in-kind sponsors and may provide group meeting places, volunteer time, activity materials or equipment for a local Girl Scout troop/group. However, a troop/group's major financial support should come from the product programs (fall product and cookies) and should not be wholly dependent upon sponsorships of any kind.

How can fund development help my troop/group with sponsorship?

The fund development department's major responsibility is raising operating and capital funds from individuals, corporations, foundations, and other resources in order to support the overall operation of Girl Scouts of Middle Tennessee. This department is continually building and expanding relationships with a wide variety of companies, foundations, and individuals across our region.

If a troop/group wants to develop a sponsorship relationship in its own community and has questions about how to do so or whether it is an appropriate relationship, they may contact a member of the fund development team to discuss the potential sponsorship:

Fund development staff members can provide guidance to the troop on developing relationships with the prospect, troop responsibilities, and policies or practices that must be followed before the troop/group's plans are confirmed. Most supporters do not want to be contacted for gifts multiple times by multiple people, so it is to the advantage of all to streamline the process as much as possible. For more information on sponsorships download the complete Fund Development Policy for Troop Money Earning Activities and Troop Sponsorships.

Reporting Troop Income

The Troop Financial Record is provided for every troop to use in keeping records of income and expenses during the school year. Complete this form in the spring and submit a copy to your service unit manager by May 31.

Progression in Handling Troop Finances

Handling money, especially when it belongs to other people, is serious business. The troop leader is ultimately responsible for sound money management in a troop. The troop leader needs to share the responsibility with girls in keeping with their age and experience. This is how girls grow and learn proper money management.

Girl Scout Daisy:

Parents, guardians or troop sponsors contribute to the cost of troop activities: Girls can be informed about "our troop treasury" and can be given the opportunity to make choices about how to manage the money.

The troop leader handles the money and keeps financial records:

Girl Scout Brownie:

Girls may pay dues. The troop leader handles money and keeps records and handles troop budgeting.

Girls discuss cost of supplies needed for activities.

Girls learn to set goals and participate in Girl Scout-sponsored product programs.

Girl Scout Junior:

Girls and troop leader decide on the amount of dues. Dues are collected in patrols and are recorded by troop treasurer.

Girls budget for short-term needs on basis of plans and income from dues.

Girls set goals and participate in Girl Scout-sponsored product programs.

The troop leader retains overall responsibility for long-term budget and records.

Girl Scout Cadette, Senior, Ambassador:

Girls estimate costs based on plans. Girls determine amount of dues and money-earning projects. Girl Scout Cadettes carry out short-term plans in relation to budget and keep financial records under leader's direction.

Girl Scout Seniors and Ambassadors plan and administer long-term troop budget, account for funds and carry out money-earning projects with advice from leader as needed.

Girls set goals and participate in Girl Scout-sponsored product programs.

Source: *Safety-Wise*, page 27.

Troop Bank Accounts

Responsibility for troop money is shared by leaders and girls. Keep your personal money and troop funds separate. (*Be aware that personal use of troop funds is a criminal offense.*) Keep receipts for everything you purchase and **DO NOT** write checks to yourself. If you need to be reimbursed, request that the other signer on the account sign the check. Bank accounts should be opened as: Girl Scouts of Middle Tennessee, troop # _____, service unit # _____. Use the Girl Scouts' federal tax identification number, which you may obtain from your membership manager, when opening account. The Girl Scouts of Middle Tennessee's mailing address must be listed on this account as the **secondary** address:

4522 Granny White Pike
Nashville, TN 37204

All statements and billing inquiries should be mailed to the primary address, the troop leadership signer(s) and co-signer(s).

Look for a bank that will not place a service charge on the account. Some banks require a letter of authorization. If so, then use the Letter of Authorization form. Secure at least three signatures on the account (one signature must be your membership manager or service unit manager). Parents should be kept informed of the financial status of the troop at all times. Receipts should be retained for all purchases and deposits. Submit the Troop Dollars form to your service unit manager as soon as you establish your troop bank account.

Sales Tax Exemption

All materials and food purchased in Tennessee by the troop will be exempt from sales tax if you obtain a sales tax exemption number for your troop and pay for your purchases with a troop check.

The application for tax-exempt registration must be completed exactly as instructed. Any blank spaces or incorrect information will delay your application. If you do not receive your tax exemption number within four weeks of application, call 1(800)342-1003 or (615)253-0600. The mailing address is:

Tennessee Department of Revenue
Andrew Jackson State Office Building
500 Deaderick Street
Nashville, TN 37242
Fax: (615) 741-0682 (Faxing will speed up the process.)

*Remember to include your completed tax-exempt form and a copy of the Girl Scouts of Middle Tennessee charter.

Once you have received your tax-exempt certificate, make several copies and put the original in a safe place. You must present a copy of your certificate to a business the first time you want to use your exempt status. The business must keep a copy of your certificate on file. Some businesses do not require you to show a copy each time you visit, however, some businesses do require a copy each time you make a purchase.

If you receive a notification from the state that you need to verify the information regarding your troop, respond immediately. Do not ignore this request. You may invalidate your tax-exempt status.

The tax-exempt status applies only to troop purchases. You may not make personal purchases. Only adults who are listed on the tax-exempt application may use the number.

Do not ask businesses to exempt you from tax without providing a copy of your certificate or having a certificate on file with that business. The business is subject to a \$1,000 fine per incident if they do not have a copy of your certificate.

If you move or resign as a leader/co-leader, please return your troop information to your service unit manager so the troop number and tax exemption number can be reassigned. It is the leader's responsibility to contact all businesses that have the troop's tax-exempt letter to update the information or pull the form should the troop disband.

A troop cannot use a service unit tax exempt number or another troop's tax exempt number, nor can a service unit use a troop's number.

Every troop should have a checking account. The tax identification number used to open a bank account is not a tax-exempt number. You must apply for the tax-exempt number with the state.

Updating tax exempt information

If there are any changes in the troop status, you must notify the tax office in writing. Status changes include change of leader, change of address or change of troop number.