

**FUND DEVELOPMENT POLICY
TROOP MONEY EARNING ACTIVITIES AND TROOP SPONSORSHIPS
UPDATED: FEBRUARY 1, 2008**

I. Introduction

It is important that all troops and leaders read and understand Safety-Wise (Volume 15, 2000) regulations concerning troop fundraising before beginning any money-earning activity.

Girl Scout troops/groups are financed by dues, a share of money earned through Girl Scout-sponsored product sales and money-earning activities that the group plans.

Sponsorship

The highest priority money-earning activities for all Girl Scout Troops are the product sales, both the Fall Product Sale and the Cookie Sale. 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.

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 and a 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 sources listed in the above paragraph 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. Fund Development 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. The Fund Development staff members can provide guidance to the troop on developed 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.
- The fund development department can be reached at (615) 383-0490.

II. Sources of Income

- A troop/group **must** participate in the Fall Product Program and Cookie Program, if available at the time of group formation, in order to conduct any other money-earning projects.
- Troops/groups needing additional funds after conducting the Fall Product Program and/or the Cookie Program, may conduct a troop money-earning project. If a proposed troop money-earning project is on the approved list (see www.gsmidtn.org), the troop should submit an approval application to their service unit manager at least **two weeks** prior to the project. All other troop money-earning projects **must** be submitted to the Girl Scout Volunteer Resource Manager for approval.
- Troops/groups should always choose money-earning activities that have program value for girls and that are consistent with Girl Scout program standards and policies. Troops/groups must provide a service or product in order to earn money.
- The troop/group must submit a complete report of any money-earning activity to the Girl Scout Volunteer Resource Manager of Girl Scouts of Middle Tennessee upon completion of the project.
- **Troop and service units should not solicit cash donations or gift cards from individuals or businesses, as a rule.** If a troop has a relationship/connection with a corporation that has a volunteer

incentive program that gives cash donations to a not-for-profit organization in honor of an employee who volunteers with a troop/group, the donation must be made to Girl Scouts of Middle Tennessee, **in order for the donating organization to receive tax deductibility**. There will be times when a donor specifically wants to make a gift to a troop, but the gift, whether in-kind or cash, should not have a value of more than \$250. Please refer to Section III of this policy.

III. Tax Letter to Donors

The statement on page 29 of Safety-Wise regarding gifts of any kind is intended to inform Girl Scout adults that **a troop/group leader cannot validate any gift as a charitable deduction**. Solicitations of businesses, organizations, or individuals for cash contributions are part of the overall fund development plan of Girl Scouts. Only donations made to a 501(c) (3) organization as determined by the IRS are tax-deductible according to law. Girl Scouts of Middle Tennessee is the possessor of the 501(c) (3) determination from the IRS for Girl Scouts, not individual troops. **If it is the intention of a donor to get a tax-deduction for a gift to Girl Scouts, this gift needs to be given directly to Girl Scouts of Middle Tennessee and not to individual troops/groups.**

IV. Recognition of Troop/Group Sponsorship

It is vital for both the donor and Girl Scouts of Middle Tennessee to provide proper recognition and acknowledgement. While thank you cards from troops/groups are always recommended and appropriate, in order for a donor to be included in the annual report and to be officially recognized by Girl Scouts of Middle Tennessee, the contribution needs to come directly to Girl Scouts of Middle Tennessee.

V. Project Planning and Budget Development

1. Troop/group money – earning projects

- The amount of money needed in a troop treasury should be determined by plans **set by the girls** in the troop (after planning their calendar of activities.) The troop should develop a budget and be able to describe when and how they will use the money. All girls in the troop should participate in the decision making and goal setting. The amount of money raised **may not** exceed the amount needed to support group activities.
- Girl Scout troops/groups should be realistic about the scale of their projects and trips and choose activities that can be funded by their participation in Girl Scouts sponsored product sales and other money-earning activities permitted by Girl Scout policies and practices.
- Money that is earned through the methods described above should be spent in order to benefit the girls who helped earn it.

- Money in a group account belongs to the group and not to any individual girl(s). It is to be used for Girl Scout activities only.
- Money should generally be used within the year that it was earned to cover the costs of activities for 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 group treasury to organizations or projects they consider worthwhile. (For example, local or international community service organizations and/or environmental projects.)

2. Service unit expenses

Service unit managers are encouraged to spend the majority of the money collected during a membership year in the same year in order to benefit current Girl Scouts. Service units may need money for copies, meeting refreshments, postage, and possible meeting space rental. The largest expenses are often awards that are given during the leader banquets each spring.