



## **Financial Accountability Policies**

### **Girl Scouts of Northern New Jersey**

#### **Financial Accountability Overview**

Those assuming responsibility or oversight of any Girl Scout monies within GSNNJ are accountable to GSNNJ for those funds. All adults handling money must be registered members of GSNNJ, have successfully completed the online national background check process, and have participated in trainings appropriate to the position (for example New Leader Orientation (NLO), Product Program training, etc.). Volunteers are responsible for complying with all financial, fund raising and money-earning policies and procedures including those related to, but not limited to:

- Money handling
- Banking
- Record keeping
- Timely reporting
- Money-earning activities
- End of the year financial reporting

#### **Debts Incurred by Volunteers**

A debt is defined as: a check written for insufficient funds, unpaid product program funds to the organization or the troop/group, non-payment of fees promised, and any other amounts owed to the organization for products or services. Debts to GSNNJ or debts incurred in the name of the troop to outside vendors, banks or for services rendered which become past due will be processed for collection. Unpaid funds collected for product sales or events or misuse of troop/group, service unit or the organization's funds are considered mishandled funds.

When a debt is incurred, individuals may be released from volunteer positions and/or subject to legal action, including but not limited to potential criminal prosecution, for misappropriation of funds. A volunteer who repays a past due debt may be re-appointed as a volunteer but will not be allowed to hold a money handling or leadership position.

#### **Opening Troop/Group and Service Unit Bank Accounts Policy**

All funds held on behalf of a specific troop/group or service unit must be deposited in a bank account in the troop/group or service unit name under the umbrella of Girl Scouts of Northern

New Jersey. In addition, all accounts must be held under the Tax ID # of Girl Scouts of Northern New Jersey. Troop/group and service unit bank accounts under GSNNJ's Tax ID should be used solely for the purpose of activities related to Girl Scouting, including but not limited to membership, girl programming, and group trips; volunteers should never use troop/group funds for personal expenses.

The Tax ID may only be used to open troop/group and service unit bank accounts. All accounts must adhere to the following procedures:

- Properly identified as Girl Scouts of Northern New Jersey
- Include troop/group number, or Girl Scouts of Northern New Jersey
- Addressed to and in care of the authorized signers on each account
- Include two authorized adult volunteers to act as signers on each account
  - For service unit accounts the Service Unit Coordinator and the Treasurer act in this role
  - For troop/group accounts there must be two non-related registered adult volunteers
  - GSNNJ requires checks over \$250 to have 2 signatures

Before opening an account, Troop Leaders must complete the New Leader Orientation (NLO) offered by GSNNJ. Authorized signers are not permitted to conduct any other business on behalf of GSNNJ or to access any accounts GSNNJ may maintain at the bank except their own troop/group account. GSNNJ may, at its discretion, gain access to troop/group and service unit bank accounts and records to audit accounts when deemed necessary.

### **Volunteer's Role in Troop/Group and Service Unit Financing**

The account signers must periodically inform parents and girls of the troop's/group's financial status. All registered adults in the troop/group have the responsibility and right to review the troop's/group's financial books to ensure accuracy in accounting. All registered adults with the troop/group should ensure that accurate records of income and expenditures are maintained and reported regularly at the troop/group meeting.

Service Unit Treasurers must give a regular report of income and expenses at service unit meetings. The Service Unit Treasurer is also responsible for following the Annual Service Unit Finance Report Guidelines and must complete and submit the Annual Service Unit Financial Report to the GSNNJ designated staff person no later than June 30 with May bank Statement.

### **Financial Reporting Policy**

GSNNJ staff or authorized volunteers have the right to conduct a mid-year financial review of any troop/group or service unit accounts to ensure that they are on track to meet their financial year-end goals. In addition, each troop/group and service unit is required to submit an Annual Troop Financial Report / Annual Service Unit Financial Report and a copy of the most recent bank statement to the assigned GSNNJ staff member no later than June 30 with May bank

Statement. GSNNJ may require, at its sole discretion, troop/groups and service units provide more frequent financial reporting on demand.

### **Year End Balance in Troop/Group Treasuries**

Troops/groups may carry over balances in the troop/group treasury from one year to the next. Funds from a troop/group treasury should never be spent down frivolously or given directly to girls. Troop/group money benefits the entire troop/group and is not owned or tracked for individual girl use.

Acceptable reasons for using or maintaining a balance in a troop/group treasury include:

- Payment of individual membership registration fees for returning or new members
- Gifts for bridging girls, such as program-level materials (Journeys Girl Books or The Girl's Guide to Girl Scouting), or uniform components such as sashes or vests
- Saving for major or extended trips
- Registering for troops'/groups' activities in the next membership year

### **New Jersey Sales Tax Exemption Number**

Troops/groups and service units may use the Girl Scouts of Northern New Jersey's Sales Tax Exemption Number when purchasing supplies for use in Girl Scout events/activities. When using the tax exemption number, volunteers may need to provide an exemption certificate for the supplier from whom a purchase is being made. It is important that the certificate be properly completed in order to comply with regulations pertaining to the exemption. Charitable exemption numbers will not be issued to individual troops/groups; therefore, all volunteers need to use the exemption number issued to GSNNJ. At no time may the sales tax exemption be used for personal purchases or for the benefit of another organization.

The New Jersey Sales Use and Tax Exemption Certificate may be obtained by contacting GSNNJ's Customer Care team.

### **Troop/Group and Service Unit Money Earning Policy**

It is expected that the bulk of a troop/group and service unit money-earning will come from participation in the GSNNJ Fall Product Sale and Girl Scout Cookie Sale Programs.

Troops/groups are required to participate in Council product sales as their primary money-earning activity; any troop/group money-earning should not compete with the Girl Scout Cookie Program or other Council product sales. All girl troop/group members must be registered members prior to participating in Council product sales and/or additional money-earning activities.

### **Money Earning Council Approval Procedure**

GSNNJ will not approve requests from troops/groups for any money-earning activities during the initial period of the annually scheduled Fall Product Sale and the Girl Scout Cookie Sale Programs. As a result, additional money-earning activities will only be approved for dates prior

to, or after, the annually scheduled Fall Product Sale and the Girl Scout Cookie Sale Program dates. In order to be eligible for additional money-earning activities a troop/group must:

- Receive written approval from GSNNJ prior to carrying out a money-earning activity by completing the Money Earning Activity Form at least 4 weeks in advance of the activity and prior to finalizing any plans. The activity must be approved by Service Unit Manager before sending to GSNNJ for approval.
- All flyers for money-earning activities must be created on GSNNJ stationary and must be approved by GSNNJ and can be sent to the Troop Support Manager for approval
- Have an Annual Troop Financial Report on file for the prior year (unless they are a new troop)
- Participate in the GSNNJ Fall Product Sale and Girl Scout Cookie Sale Programs
- Choose dates for money-earning activities that are outside of the annually scheduled dates of the Fall Product Sale and the Girl Scout Cookie Sale Programs. Dates for both sales will be set by the Product Program Department on August 1st of each year

### **Money Earning for Higher Awards and Extended Trips**

Money-earning for take action projects associated with earning one of the highest awards (Bronze, Silver and Gold Awards) and for extended trips, with an Application for Extended Trips, will be considered on a case by case basis at any time during the membership year if the troop/group has participated in both the GSNNJ Fall Product Sale and Girl Scout Cookie Sale Programs in the past 12 months. Money Earning Applications should be submitted to Pat Christie, Program Manager, and Extended Trip Applications should be submitted to Charisse Taylor, Chief Program Officer.

### **For Service Units**

Service Units may submit requests for “group money-earning” activities/events by using the Girl Scout Activity Form at any time during the membership year, so long as there is a clear purpose for raising the funds, the activity is clearly identified as a money-earning activity, the service unit has an Annual Service Unit Financial Report and a copy of the most recent bank statement on file and activities/events are in accordance with GSUSA and GSNNJ standards as outlined in the in Volunteer Essentials.

### **Disbanded Troop Funds Policy**

Remaining money in disbanded troop funds does not belong to individual girls or volunteers and may not be refunded to them. Money may be partially disbursed to another organization or charity in order to empty the treasury if all the girls voted on this choice and on the receiving organization.

In the event that a troop disbands and the girls remain in Girl Scouts and are placed in new troops, the money left in the disbanded troop treasury will be divided per the Disbanded Troop Funds Procedures outlined below.

In the event that the troop disbands and all the girl members leave Girl Scouts, the remaining troop funds will be disbursed to the service unit treasury to be used to support Girl Scouts in that community and for new troop start-up funds. Service Unit must hold funds for 1 full year in case any Girl Scout members return to Girl Scouts.

### **Disbanded Troop Funds Procedures**

#### **For troops disbanding with girl members joining new troops:**

- Complete the Troop Disbanding Form and submit to GSNNJ
- Divide the remaining troop treasury proportionately among the new troop(s) based on the number of girls remaining in Girl Scouts and moving to new troop(s)
- Send checks to each of the troop(s) treasury(s) where the girl(s) will be transferred to (this should leave a zero balance in the account)
- Ensure all outstanding transactions have been cleared before contacting the bank to close the account
- Contact the Service Unit Manager and/or Service Unit Treasurer, or Customer Care, to inform them that the account is closed and the treasury was divided amongst remaining girl member(s) new troop treasury(s).
- For example, if there are 10 girls when the troop disbands and 6 join Troop A and 4 join Troop B, a check for 6/10 of the funds is forwarded to the leader of Troop A and a check for 4/10 of the funds is forwarded to the leader of Troop B.

#### **For troops disbanding with no girl members staying in Girl Scouts:**

- Ensure all outstanding transactions have been cleared before closing the account
- Close the account and obtain a bank check payable to the Service Unit. If there is no Service Unit or account, make check payable to GSNNJ.
- Give the check, marked with the notation "Disbanded troop # " to the Service Unit Manager, Service Unit Treasurer, or a GSNNJ Troop Support Manager.
- For example, if there are 10 girls when the troop disbands and 6 join Troop A and 4 members leave Girl Scouting, a check for 6/10 of the remaining funds is forwarded to the leader of Troop A and a check for 4/10 of the funds is forwarded to the service unit.

### **Abandoned Troop Funds**

Abandoned troop accounts will be closed by GSNNJ's Accounting Department. Remaining funds will be used by GSNNJ to fund start-up costs for new troops/groups. GSNNJ receives this report from the State of New Jersey on an annual basis and processes unclaimed funds once per year in the first two months of the calendar year. Please note, all unclaimed funds are returned to and will remain with GSNNJ.

### **Proceeds: Transferring of Girls from Troop to Troop**

According to the GSUSA 2023 Product Program Guidelines for Girl Scout Councils: Proceeds for individual Girl Scouts should never be tracked, either by the council or the troop/group. Proceeds received by a troop/group are non-transferable. Girl Scouts who leave the troop or leave Girl Scouting are not entitled to proceeds earned while in the group when they leave (page 30).

### **Splitting Troops Due to Size**

If a troop is splitting into two troops because the troop is too large, this is considered a reorganization of the original troop rather than transfers. Troop funds should be divided proportionally between the two troops. For example, if there are 20 girls and 11 are going to the new troop then 11/20 of the funds should be transferred to the new troop. If troops are going to split for any reason it is recommended that they do so at the end of the Girl Scout year and utilize troop funds during the year while the troop is still together. Using troop funds to pay for all or a portion of the girls' membership fees for the upcoming year is an option. No transfer of remaining funds should be made to the new troop.

Other instances of Troops splitting will be handled on a case-by-case basis. Please reach out to your Troop Support Manager for assistance.

### **Transfers: Membership Dues**

Funds, including dues that have been paid, are not transferred to the new troop when a member transfers. The troop dues may have already been used to purchase troop supplies or other expenses at the time they were paid.

### **Fundraising Donation Pass-Throughs to Troops or Service Units**

Girl Scout groups are financed by a share of money earned through Council-sponsored product program activities, additional money-earning activities, and dues. However, per the GSUSA Blue Book of Basic Documents, "Adult members in their Girl Scout capacities may not solicit financial contributions for purposes other than Girl Scouting. Adults may engage in combined fundraising efforts authorized by the Girl Scout council and in which the local council is a beneficiary."

Prior to solicitation of donations of any kind, GSNNJ adult members should contact the Council. GSNNJ is the only distinct legal entity and the only entity with tax exemption. Therefore, gifts made to GSNNJ subordinate units, including but not limited to troops and service units, must be approved by the tax-exempt entity (GSNNJ) and must comply with the tax law requirements on gifts for the donor to receive a charitable deduction. Solicited and/or donated funds are to be used for the specific purpose for which they were intended. Volunteers are responsible for adherence to spending policies of corporate-sponsored donations or match programs. Any deviation or revision in use of funds must first be cleared with the donor. If the donor does not approve of the deviation or revision, funds will be returned to the donor.

In instances where volunteers are offered donations from individuals or businesses with the intent to support a specific troop or service unit, GSNNJ may pass-through funds to the specific troop or service unit GSNNJ bank account after review and approval if the below criteria are met. Donations which do not meet the requirements will be deposited into the Council unrestricted fund to support Girl Scouting with notification to the donor.

Donations of Gift Cards to any business will be handled on a case-by-case basis. Please contact your Troop Support Manager who will work with our Chief Development officer on situations that involve gift cards.

Amount of Donation	Criteria Required to Pass-Through
\$0-\$249	<ul style="list-style-type: none"> <li>• Have an Annual Troop Financial Report on file for the prior year (unless a new troop)</li> <li>• Participate in the GSNNJ Fall Product Sale and Girl Scout Cookie Sale Programs</li> </ul>
\$250-\$1,000	<ul style="list-style-type: none"> <li>• Above plus,</li> <li>• Provide a donor intent form or other written communication documenting the intended use of the funds from the donor</li> <li>• Disclosure by the troop of how the funds will be used, including but not limited GSNNJ Preliminary Application to Travel on file</li> <li>• Report how monies were spent to the Council within 3 months of when they were received via the online Money-Earning or Donation Funds Use Report</li> <li>• Disclosure of relationship between donor and troop or service unit to determine if pass-through would be harmful to GSNNJ's 501(c)(3) status. Caregiver donations with girl(s) in troops will not receive a tax donation letter to cover dues or other costs (trips, tickets etc.) incurred on behalf of their girl(s) as troop members</li> </ul>
\$1001 +	<ul style="list-style-type: none"> <li>• Amounts of \$1,001 or more cannot be passed-through to troops or service units. GSNNJ's Fund Development team is available to engage in GSNNJ-specific donation discussions for Council use (assistance, uniforms, camperships, etc.) to support Girl Scouting. The Troop or Service Unit will receive \$1000 of whatever amount is donated. Example: If \$5,000 is donated, the Troop or Service Unit will receive \$1,000 and the remaining funds will be directed to GSNNJ.</li> </ul>

**Donations to Support Highest Awards**

Per the GSUSA Blue Book of Basic Documents, "Girl members may not engage in any direct solicitation for money except for Girl Scout Seniors and Ambassadors, who may solicit philanthropic donations to their councils of cash or in-kind goods for Girl Scout Gold Award

projects, provided they have secured prior written permission from their council's Chief Executive Officer, Chief Development Officer, or their designee." At GSNNJ, the only individuals who can approve donations for Highest Awards are Sandra Kenoff, President & Executive Director or Caroline Fairchild, Chief Development Officer. Girl members who are actively pursuing their Girl Scout Gold Award may solicit donations in accordance with the policies outlined above.

## **Sponsorships**

### **Sponsorships for Girl Scout Troops**

For all GSNNJ prospective sponsorships, approval must be granted by Chief Development Officer, Caroline Fairchild. When Troops are sponsored, there must be an annual written agreement signed by the representative of the sponsoring group(s) and by the troop organizer or leader. Sponsoring groups must have a mission and practices that are not in conflict with those of the Girl Scout movement. Sponsorship is intended to build a partnership between GSNNJ and the community and support may take many forms including space for meeting/activities, services, and supplies (gifts in-kind). Troops/groups cannot solicit monetary contributions as a form of sponsorship.

### **Sponsorship Solicitation From GSNNJ**

Throughout the year GSNNJ gets multiple requests for various types of sponsorship opportunities for outside organizations and events that our members care about (PTA's, schools, other non-profits, etc.). Although we understand these requests are worthwhile and important to our members, due to the frequency of these requests and our commitment to make sure all funding goes directly to Girl Scout programming, we are unable to support donation requests.

### **Letters of Acknowledgement**

Letters acknowledging donations for tax reporting purposes are generated by GSNNJ's Fund Development Department only. If a donor wants their gift to be tax deductible, their gift must be payable to GSNNJ and sent directly to the Council. They may request a pass-through to a specific troop or service unit in accordance with the policy outlined above.

Troops and service units may thank their supporters with phone calls, cards, etc., but no gift acknowledgement may be sent on GSNNJ letterhead as it may be confused with a tax acknowledgement letter

### **In-Kind Donations**

Members may request in-kind donations without prior approval. GSNNJ may provide, upon request, a letter acknowledging receipt of materials on behalf of the troop or service unit,



following the completion of an in-kind donation form stating the donor, item/service, and fair market value (provided by the donor). By law, nonprofit organizations cannot determine the tax-deductible dollar value of an in-kind gift, and the tax liability for valuation of the donation is the donor's responsibility