

THIRD-PARTY SERVICE ORGANIZATIONS (TSO) GUIDANCE FOR VOLUNTEERS

GIRL SCOUTS OF NORTHERN ILLINOIS

Effective October 1, 2023, Girl Scouts of Northern Illinois (GSNI) updated its policies for troop/group/service unit bank accounts and the use of Third-Party Service Organizations (TSO) also referred to as: money payment apps.

Due to Tax law changes effective January 1, 2022, you may receive a 1099-K for payments received for product sales or other parental payments (dues, events, etc.) for your Troop from a third-party payment organization such as Square, Venmo, Pay Pal, etc. when using a **personal account**. That's why it's important if you are currently using a personal/business TSO, that a separate account be set up for the troop for Girl Scouting purposes. To do this, you will set up a separate location for your troop using the GSNI FEIN # instead of a personal social security #. Troop bank accounts are to be directly linked as the depository bank for TSOs.

GSNI will not specify which TSO you should use. If you choose to utilize a TSO for Girl Scouting purposes, research their application to ensure your troop/group is allowed to set up the account with the Council's tax ID (FEIN #) with deposits going directly to the troop/group account.

Using Personal Money Payment Apps: Volunteers may choose to use a personal money payment app (TSO), such as Square or a Venmo account they use for multiple purposes, and they would receive a 1099K if the total amount paid to them from all sources **equals \$600** or more in a calendar year. The volunteer has the option to identify the money is not for the sale of products and is a reimbursement; however, this does not preclude them receiving a 1099K.

If a parent is using their personal money payment app, we recommend they indicate Girl Scout related payments are 'reimbursements' and keep separate records to verify these amounts, should they be issued a 1099K. Additionally, they should consult their local tax advisor when preparing their personal tax return.

GSNI strongly recommends the use of the Digital Cookie Payment Processor during the Girl Scout Cookie Program. If your troop is only using Digital Cookie as the payment processor - No changes are needed, and you should not receive a 1099-K.

If you are participating in the Digital Cookie Program, consider using the Digital Cookie online app for processing any credit/debit card payments for in person/booth sales. The app is easy to use and there is a new function for OCR, optical scanning of cards, to improve the contactless payment process as well as it being faster to use. In addition to these great benefits, the Council pays the processing fees which are about a fourth of the cost to use Square. **Tip:** If you are using Square at your booth sales, make sure that you are selling under the Troop Location. This way all the troop's sales are recorded separately.

We've provided an example of how to set up an account with **Square** below. **Note:** The process may vary depending on the money payment app (TSO) you choose.

Instructions: You will set up a separate location for your troop using the GSNI FEIN # instead of a personal social security #. Then you can set up your **troop banking account** to receive the money.

Steps to set up your troop location (account):

1. Go to Account & Settings
2. On the right, locate the "Business" tab
3. In the business drop down menu find "Locations"
4. On the right side of the screen there should be a box "Create Location"
5. Enter your troop's information. You can use the same name that is on your banking account with your troop number as the "Location Business Name"
6. Save

Steps to add your bank account to Square so that it is separate from any personal account:

1. Go to Account & Settings
2. Under the "Account" drop down menu find "Bank Accounts"
3. Find your new location and to the right there should be "Add Bank Account"
4. It will bring up the screen to enter banking information.

Last Step is to add taxpayer information:

1. Under "Business" tab, locate "Tax Forms"
2. Find your troop click on "Add"
3. Enter GSNI's FEIN # and the South Elgin address
4. Hit "Save"

If you need further guidance regarding the tax law as it relates to the 1099-K, please consult your local tax advisor.