

**GIRL SCOUTS OF BLACK DIAMOND COUNCIL
THIRD-PARTY SERVICE ORGANIZATIONS (TSO)
GUIDANCE FOR VOLUNTEERS
January 6, 2025 (updated)**

GIRL SCOUTS OF BLACK DIAMOND COUNCIL (GSBDC) has issued this guidance for troop/service unit bank accounts and the use of Third-Party Service Organizations (TSO) such as Cash App, PayPal, Square, Venmo, Zelle, etc. for volunteers.

TSOs (money payment apps) are to be set up under the Council's tax ID (55-0420373) when being used for Girl Scouting purposes. Troop/service unit bank accounts are to be directly linked as the depository bank for TSOs. GSBDC has approved the following TSO vendors as their application allows each troop/service unit to set up their account with the Council's tax ID with deposits going directly to the troop/service unit bank account.

- **Square (GSBDC reimburses fees for *approved* cookie booth program sites only)**
- **Zelle – when used with a GSBDC Troop/SU account online or app access**

Tax law changes were delayed (originally effective January 1, 2022) and the IRS has finalized a phase-in plan for 1099-Ks from TSO Vendors (money payment app) as of November 24, 2024. The minimum threshold requirements for 1099-K reporting are below by calendar year:

2024 - \$5,000 threshold for goods and services

2025 - \$2,500 threshold for goods and services

2026 and thereafter, \$600 threshold for goods and services

Due to Tax law changes, 1099-Ks could be issued for payments received for product sales or other parental payments (dues, events, etc.) from a TSO when exceeding the threshold amounts above.

Using Personal Money Payment Apps

Volunteers who choose to use a personal money payment app (TSO), could receive a 1099-K if the total amount paid to them from all sources exceeds the threshold amount listed above in a calendar year. We recommend money exchanges indicate Girl Scout related payments are 'reimbursements' or for 'family and friends' and keep separate records to verify these amounts, should a 1099-K be issued. Additionally, volunteers should consult their local tax advisor when preparing their personal tax return.

If using Digital Cookie as the payment processor - No changes 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 offers the functionality for OCR, optical scanning of cards, to improve the contactless payment process as well as being faster to use. In addition to these great benefits, the Council pays the processing fees which are about half of the cost to use Square. When customers pay using PayPal or Venmo through the Digital Cookie app, there will be no effect on 1099-K issuance referenced above.

If you need further guidance, please contact GSBDC Finance Department at accounting@bdgsc.org.