

May 25, 2023

Girl Scouts of Ohio's Heartland Council recently updated its policies for troop/service unit bank accounts and the use of Third-Party Service Organizations (TSO) such as PayPal, Venmo, Square (etc.) for volunteers in light of recent tax law changes and related guidance received.

Tax law changes -- 1099-Ks from TSO Vendors (money payment app)

With the American Rescue Plan of 2021, the IRS reporting threshold for transactions that occur on third party service organization platforms changed from \$20,000 to \$600. This change was to have taken place, starting in 2022, but the implementation was delayed by a year by the IRS. It is important to note that this change is not meant to track personal transactions, such as reimbursements.

What does this mean for me?

As a result, beginning January 1, 2023, a TSO is required to report to the IRS any third-party network transactions that occur to a payee in excess of \$600 through a 1099K. Individuals who personally choose to use a money payment app (TSO) such as Venmo, PayPal, Square for multiple purposes would receive a 1099K if the total amount paid to them from all sources equal \$600 or more in a calendar year. The individual has the option to identify that the money is **not** for sale of products but rather as a reimbursement; however, this does not preclude them receiving a 1099K.

Using Personal Money Payment Apps:

Girl Scouts of Ohio's Heartland Council has a policy that prohibits use of personal money payment apps for troop or Council business. However, in the event a parent has used 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.

Girl Scouts of Ohio's Heartland Council recognizes the need to make available additional digital payment options for Troops and Service Units to conduct their Girl Scout business. In addition to Digital Cookie (for Cookie Program), research is currently underway in identifying viable payment platforms that will best meet the needs of our membership and Council.

If you have any questions, please do not hesitate to contact your Membership Manager.