SOUTH DAKOTA NATIONAL GUARD

FAMILY READINESS PROGRAM

Wellness in Readiness
Family Readiness Group
Topics Covered

• FRG Informal Fund
  - Opening an Account
  - Maintenance of the Account
  - FRG Informal Fund Standard Operating Procedure

• Fundraising
  - Statutory volunteers
  - Gratuitous volunteers

• Donations and gifts
**Family Readiness Group Informal Fund (Checking Account)**

**Opening an Account**

- Having an FRG Informal Fund is **optional**

- FRGs **may** open an informal fund (checking account) providing the following conditions are met:
  - Commander’s approval
  - Appoint a Treasurer and Alternate Treasurer (volunteers, not service members)

**If you do not have an account, you do not need a treasurer/alternate treasurer**
Family Readiness Group
Informal Fund (Checking Account) Opening an Account

Account conditions to be met continued:
- Account must be non interest bearing
- Have two authorized volunteer signatures (all checks must be signed by treasurer and alt. treasurer)
- FRG Informal Fund Standard Operating Procedure (SOP)

• File Internal Revenue Service Form SS4 to obtain tax ID(EIN) number (for banking purposes only) to avoid use of personal Social Security Number and potential IRS tax liabilities. (See Treasurer Handbook or log onto www.irs.gov)
Family Readiness Group Informal Fund (Checking Account)

- Account’s use is limited to expenses consistent with the purpose & function of the fund as determined by the FRG & commander
  - Remember the FRG’s purpose is not to raise money
  - FRG expenditures must benefit the entire FRG membership in some way
Family Readiness Group

Informal Fund (Checking Account)

- FRG’s account balance is limited to $10,000 at any time as well as the FRG’s annual income is capped at $10,000

- Commander can not authorize increased funds (over $10,000)
Family Readiness Group
Informal Fund (Checking Account)

- If the account or income drops below $10,000 (after already reaching $10,000 for the year), more funds can not be raised for the remainder of that year.

- **Because** once the account or income exceeds $10,000 for the year, it can then be considered a Private Organization (like Red Cross, Boy/Girl Scouts).

- **And** could then be subject to IRS regulatory requirements & tax liabilities.
Family Readiness Group Informal Fund (Checking Account) Maintenance of the Account

• FRG informal funds can not:
  - Augment other unit informal funds such as the unit’s “cup and flower” fund.
  - Can not be deposited or mixed with personal or unit funds
Family Readiness Group

Informal Fund (Checking Account)

- FRG informal funds cannot:
  - Be used to purchase items or services which may be paid for with appropriated (military) funds
  - Or for items not related to Family readiness such as service member farewell gifts or the unit military ball
  - Funds can not be given to a military unit to purchase additional supplies, equipment, or to fund additional training
Family Readiness Group Informal Fund (Checking Account)

Maintenance of the Account

- Treasurer provides treasurer’s report to commander, State Family Readiness Office and to the FRG families

**Non-deployed**: Due annually by 30 Sep
(Report can be requested more often)

**Deployed**: Due Quarterly by mid month -
(Mar, Jun, Sep, Dec)
Family Readiness Group
Informal Fund (Checking Account)

Maintenance of the Account

- Treasurer’s Report includes 3 items:
  1. Report memorandum
  2. Copy of all bank statements since last report
  3. Copy of all Checkbook Register transactions since last report
Family Readiness Group Informal Fund (Checking Account)

**FRG Informal Fund Standard Operating Procedure (SOP)**

- FRGs with an informal fund must have an SOP per Army Regulation 608-1 Appendix J, paragraph 7c.
  - At a minimum, SOP must include:
    - FRG Name
    - Description of FRG purpose and function of the fund
Family Readiness Group Informal Fund (Checking Account)  FRG Informal Fund (SOP)

• SOP must include:
  • Following statement, “The FRG informal fund is for the benefit of its members only. It is not a business and is not being run to generate profits. FRG expenditures will be in accordance with the wishes of the majority of FRG members and all fund raisers must have Command approval before proceeding. It is not an instrumentality of the United States Government.”
Family Readiness Group Informal Fund (Checking Account) FRG Informal Fund (SOP)

- The SOP can be included in the FRG Sanction (Item 6)

OR

- The SOP may be completed as a separate document
Family Readiness Group Informal Fund (Checking Account)  

**FRG Informal Fund (SOP)**

- Signed by treasurer and alternate treasurer

- Filed in the Unit’s Family Readiness Binder and a copy forwarded to the State Family Readiness Office
Family Readiness Group

Informal Fund (Checklist)

√ Authorized by Commander
√ Cannot exceed $10,000 per calendar year
√ Must have a valid EIN Number (IRS)
√ Non-interest bearing account
√ 2 signers; a treasurer and alternate treasurer (non military)
√ Must have a FRG Informal Fund SOP
√ Leadership (Controlled by statutory Volunteer(s))
√ Limited to fundraising on the installation/armory (“by us – for us”)
√ Subject to audit by the Commander and the State Family Readiness Office
Family Readiness Group

Fundraising

• Can be done if there is a specific purpose for the funds (for which Appropriated (military) funds are not authorized).
Family Readiness Group Fundraising

- Questions to ask prior to fundraising:
  - Why do we need to raise the money?
  - Will it benefit the entire FRG membership?
  - Does it duplicate other resources within the community?
  - Can we get it somewhere else?
  - Is it an authorized fund raiser according to guidance?
  - Has the commander approved it?
Family Readiness Group Fundraising

• Examples of authorized FRG fundraisers include:
  - Bake sales
  - Car washes
  - Fun runs
  - Concession booth at installation/unit events
  - Talent show
  - Opportunity (silent) auctions of donated goods and services
Family Readiness Group Fundraising

- Examples of prohibited FRG fundraisers include:
  - Gambling
  - Chain letters and pyramid schemes
  - Door to door solicitations
  - Any activity involving military members in uniform
  - Any activity or product that is dangerous or unduly risky
  - Any activity on private property without proper permission
Family Readiness Group

WHO Can Fundraise?

- 2 Family Readiness Group Volunteer Categories
  - Statutory
  - Gratuitous

- What are the differences in the 2 categories?
Family Readiness Group

WHO Can Fundraise?

• **Statutory** FRG members may only conduct internal fundraising amongst themselves ("by us for us") which means within the National Guard property and National Guard members and their families.

• **Gratuitous** FRG members may conduct fundraising completely separate from the FRG and unit at any time.
Family Readiness Group

Statutory Volunteers

- **Statutory volunteers** serve in official capacity in direct support of the National Guard Family Program like FRG Lead Volunteers and treasurers.
- Seek credit for their volunteer hours
- Have signed Volunteer Agreement (**DD 2793**) & on file in State Family Readiness Office (also signed by SFPD)
- Agreement states that they donate time and services to FRG projects and activities
Family Readiness Group
Statutory Volunteers

- Recognized as official in matters of **tort claims** & for purposes of **reimbursement** under provision 10, US Code 1588

- Can be reimbursed for incidental expenses

- May be placed on Invitational Travel Orders
Family Readiness Group

**Gratuitous Volunteers**

- Gratuitous volunteers have **Not** signed a volunteer agreement (**DD 2793**)
- Periodically offer support to FRG, but not in an official capacity
- Can engage in fundraising efforts outside of the FRG as long as they DO NOT represent themselves as being connected to the FRG or the military
  - Call themselves “Friends of” **or** “Supporters of” **not** “888th Family Readiness Group”
Family Readiness Group

Gratuitous Volunteers & Fundraising

- No endorsement by the National Guard (military)
- Completely separate from the FRG
- Not controlled by the military or FRG, but
  - Subject to laws on reporting of income and potential tax liabilities
- Completely separate account from the FRG
Family Readiness Group

Official FRG vs Informal Organization:

Official FRG:
- Consists of Statutory Volunteers
- Sanctioned by commander, endorsed by the military
- Government Entitlements
- Authorized Appropriated Funds for Travel/Training
- Account limited to $10,000
- “By us for us” fundraising

Informal Organization:
- Consists of Gratuitous volunteers
- Not controlled by the military or FRG, no military endorsement
- No $ limit to account, but subject to laws on reporting of income and potential tax liabilities after $10,000
- Completely separate from the FRG
- Can fundraise outside of FRG and military
- Separate account from FRG
Family Readiness Group
Donations and Gifts

FRGs may **NOT** solicit or accept donations or gifts
Family Readiness Group
Donations and Gifts

However,
Unit commanders in conjunction with the State Family Readiness Director (who is the Adjutant General’s representative) may accept unsolicited donations to the FRG informal fund of $1000 or less annually.
Family Readiness Group
Donations and Gifts

• This donation counts & impacts the FRG annual $10,000 income cap.

• Donation must be unconditional

• A donation form must be completed – get from Family Program Office
Family Readiness Group
For Questions or Assistance

• If your FRG is considering a fund raising project, do not hesitate to call the State Family Readiness Office with your questions or concerns. In regards to money, it is always best to ask questions first because each situation is different. We are able to research funding guidance and seek legal counsel from our Judge Advocate to help ensure your FRG is in compliance with funding guidance regarding fundraising.
**Family Readiness Group**

**For Questions or Assistance**

- Call 1-800-658-3930/605-737-6728 – State Family Readiness Office

- Treasurer’s Handbook located on website
  - Includes Treasurer Forms in word for easy use

- Log on to https://sdguard.ngb.army.mil
  - Click on Family Readiness link
  - Click on Family Readiness Groups
  - Click on FRG Treasurer Information

South Dakota National Guard

“Mission First – Families Always”

Family Readiness
Family Readiness Group
Informal Fund

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