



Funding Policies for Council Packs

We strive to ensure high quality and consistent Pack programming across our council. In addition to a strong annual program plan that focuses on delivering Iconic Scouting Experiences, the following funding policies and practices are to be followed by our local Packs.

Annual Pack Dues:

- Scouts pay annual dues that cover the Pack’s operational expenses for the year.
- The amount of the dues varies based on what things the Pack provides. Generally, dues between \$50 - \$75 are sufficient, unless the Pack pays for or subsidizes the registration fees of adult leaders.
- Pack dues are collected annually in late October/November, giving new families the opportunity to fund their Scout accounts through a prior fundraiser.

Family Expenses:

- Families subsidize their Scouting Adventures through Scout Accounts and Fundraisers.
- Participation in Iconic Scouting Experiences is important, expected, and paid for by families.
- “A Scout is Thrifty” is the ninth point of the Scout Law. Scouts are encouraged to save for the future and pay their own way.

Scout Accounts:

- Scouts can credit a reasonable amount of funds earned toward their Scouting expenses.
- All funds are the property of the Pack. Scouts cannot use funds earned for any non-Scouting purposes and cannot take the money with them if they leave Scouting. Generally, a Pack has only one bank account.
- Scout Account activity is tracked and available to view in the **Payment Log function** in Scoutbook Plus.
 - Packs are to fully utilize Scoutbook Plus, and they can accept payments directly from families within Scoutbook Plus.
 - The Pack Committee may charge expenses against a Scout Account balance.
 - Families can request reimbursement for Scouting-related expenses from their Scout Accounts by submitting proper documentation to the Pack Committee/Treasurer, which is deducted from the account balance.
- Funds can be used by other family members for Scouting purposes and can be transferred to sibling accounts.
- Funds can be transferred to another eligible Pack or Troop. 20% of funds will be retained by the Pack.
- If a Scout becomes inactive and remains unregistered for over 12 months, any remaining balance in their Scout Account becomes general Pack funds.

Fundraisers:

- **Popcorn.** Our Council organizes this program to help Scouts fund their Scout Accounts. Popcorn includes a coordinated kick-off event, excellent incentive program, online payments with free credit card processing, and a 35% commission.
- **Spring Product Sales.** Our Council provides multiple direct-to-consumer options in the spring to help Scouts fund their Scout Accounts. The products generally include coffee, and commission amounts vary.
- **Pack Fundraiser(s).** Packs can organize additional fundraisers to help Scouts fund their Scout Accounts. Pack fundraisers must be pre-approved via the Unit Money-Earning Application and Packs must follow the guidelines.

Pack Expenses:

Advancement Awards (*Belt Loops, Rank Awards*)
 Meeting and Program Supplies
 Annual Unit Liability Insurance (\$100)
 Wood Badge Scholarships (*Help 2 leaders attend each year*)
 Adult Leader Registrations (*optional*)
 Unit Equipment Purchases
 *Event – Pinewood Derby (*January, Pack provides cars*)
 *Event – Blue and Gold Banquet (*April/May*)
 *Event – Arrow of Light Crossover (*April/May*)

Family Expenses:

Pack Dues \$_____, paid in October/November.
 Annual Scouting Registration Fees
 Scout Life Magazine
 Scout Handbook (*Council provides first handbook when joining*)
 Scout Uniform
 *Event – Cub Haunted Campout (*Oct.*)
 *Event – Jolly Jamboree (*Dec.*)
 *Event – Cub Activity Day / Day Camp (*June*)
 *Event – Cub World Campout (*June/July*)
 *Event – Arrow of Light Campout (*July*)

*Iconic Scouting Events

Please discuss options and flexibility with your Unit Commissioner or District Executive

FISCAL POLICIES AND PROCEDURES FOR BSA UNITS

Frequently Asked Questions

Current Unit Registration Options

- **Charter Organization Units:** Assets of the unit generally belong to the Charter Organization and are managed by the unit.
- **Council Registered Units:** Assets of the unit generally belong to the Council and are managed by the unit.
- **Parents of/Groups of Citizen Units:** Assets of the unit generally belong to the unit and are managed by the unit.

Tax Exempt Status

- **Charter Organization Units:** Charter organizations vary widely, but the tax status of your unit is usually the same as that of your charter organization.
- **Council Registered Units:** Units properly registered, and using the council EIN for banking purposes, are generally tax exempt. Consult your local council for instructions and policies.
- **Parents of/Groups of Citizen Units:** Many units have their own EIN, but this does not equate to tax exempt status. Units should not incorporate or seek tax exempt status due to the myriad of state registration and fundraising registration requirements, and potential sales tax, income tax, gift tax, and property tax liability. BSA policy prohibits units from incorporating or seeking tax exempt status.
- **Group Exemption:** Units cannot be included on BSA's group exemption. Only local councils and local council trusts are permitted by the IRS. Units are not separately identified on the Group Exemption. Council Registered Units are an extension of the Local Council and operate under the local council's tax exempt status. Local Councils derive their tax exempt status from the BSA's Group Exemption and are listed individually. For tax purposes, local councils are subordinate organizations of the Boy Scouts of America and covered under the Boy Scouts of America's group exemption ruling. Though local councils are separate entities, the BSA exemption ruling extends the same recognition of tax- exempt status to the local councils as to the Boy Scouts of America National Council.
- **State Sales Tax Exemption:** Consult with your own state as this varies widely across the country.

Unit Banking

- **Checking Accounts:** Unit funds should be deposited in a checking account that requires two signatures, typically the Treasurer and the Committee Chair.
 - o **Charter Organization Units:** Contact your charter organization for permission to use their EIN and direction on who to use as the responsible party. In the alternative, many councils allow units to deposit funds in custodial accounts in the council service center.
 - o **Council Registered Units:** Contact your council for permission to use their EIN and direction on who to use as the responsible party. Council Registered Units previously using separate bank accounts through a Charter Organization should close those accounts and follow the local council policies for a new account. Council Registered Units should not apply for their own EIN, but rather open a bank account at a council approved bank under the Council EIN with the unit name as the account holder. Council registered units should not use custodial accounts. CRUs should report financial activity annually to the Local Council using the provided template by January 15 each year. Insert LINK here – Unit Finance Report template and Bank account open/close letters.
 - o **Parents of/Groups of Citizens Units:** Units should consult a tax advisor prior to applying for an EIN (for banking purposes only) or opening up a bank account. A

“responsible party” must be designated on the application, and that person’s social security number must be provided. Units applying as Community or Volunteer Groups should not check the box for Tax Exempt Organizations.

- **PayPal/Venmo:** PayPal can be used to accept unit payments. PayPal account instructions are available here:

<https://help.scoutbook.scouting.org/knowledge-base/paypal-payment-utility-sb/>

The IRS introduced new reporting requirements for payments received for goods and services, lowering the threshold to \$600. Third party settlement organizations, such as PayPal and Venmo, will be required to provide customers with a 1099-K form if they receive \$600 or more in goods and services transactions during the 2023 tax year. Charter Organization Units and Council Registered Units utilizing PayPal or Venmo should ensure they are using appropriate EINs and following all policies and procedures. Parents of/Groups of Citizens Units should consult their own tax advisors.

Equipment Insurance

All equipment should be insured with appropriate liability, casualty, and property coverage. The charter organization or local council may assess a fee to the unit for providing insurance coverage and should, in compliance with the Guide to Safe Scouting materials, regularly inspect all vehicles and trailers.

Dissolution of Unit

The unit committee shall apply unit funds and property to the payment of unit obligations.

- **Charter Organization Units:** Surplus funds should be turned over to the charter organization to be used for Scouting purposes.
- **Council Registered Units:** Surplus funds should be turned over to the council.
- **Parents of/Groups of Citizen Units:** Surplus funds should be turned over to the council.

Fundraising

- **BSA Unit Money-Earning Applications:** Approval must be given by the charter organization and the council for all unit fundraising.
- **Soliciting Gifts:** As gifts to units are generally not tax deductible, units should not solicit gifts. Anyone can contribute to a unit, but the donor would not receive a charitable deduction. Gifts made to councils or Charter Organizations cannot be passed through to the unit.
- **Scout Accounts:** Scouts can credit a reasonable amount of funds earned toward their Scouting expenses. Scouts cannot use funds earned for any non-Scouting purposes and cannot take the money with them if they leave Scouting.

UNIT MONEY-EARNING APPLICATION

Applications are not required for council-coordinated money-earning projects such as popcorn sales or Scout show ticket sales.

Please submit this application to your council service center at least two weeks prior to committing to your money-earning project. Read the eight guidelines on the other side of this form. They will assist you in answering the questions below.

(Local council stamp)

Pack

Troop

Crew

Ship

No. _____ Chartered Organization _____

Community _____ District _____

Submits the following plans for its money-earning project and requests permission to carry them out.

What is your unit's money-earning plan? _____

About how much does your unit expect to earn from this project? _____ How will this money be used? _____

Does your chartered organization give full approval for this plan? _____

What are the proposed dates? _____

Are tickets or a product to be sold? Please specify. _____

Will your members be in uniform while carrying out this project? (See items 3-6 on other side.) _____

Have you checked with neighboring units to avoid any overlapping of territory while working? _____

Is your product or service in direct conflict with that offered by local merchants? _____

Are any contracts to be signed? _____ If so, by whom? _____

Give details. _____

Is your unit on the budget plan? _____ How much are the dues? _____

Does your unit participate in the council product sale? Yes No Family Friends of Scouting? Yes No

How much does your unit have in its treasury? _____

Signed _____
(Chartered Organization Representative)

Signed _____
(Unit Leader)

Signed _____
(Chairman, Unit Committee)

(Address of Chairman)

FOR USE OF DISTRICT OR COUNCIL FINANCE COMMITTEE:

Approved by _____ Date _____ Phone _____

Approved subject to the following conditions _____

GUIDELINES FOR UNIT MONEY-EARNING PROJECTS

A unit's money-earning methods should reflect Scouting's basic values. Whenever your unit is planning a money-earning project, this checklist can serve as your guide. If your answer is "Yes" to all the questions that follow, it is likely the project conforms to Scouting's standards and will be approved.

1. Do you really need a fundraising project?

There should be a real need for raising money based on your unit's program. Units should not engage in money-earning projects merely because someone has offered an attractive plan. Remember that individual youth members are expected to earn their own way. The need should be beyond normal budget items covered by dues.

2. If any contracts are to be signed, will they be signed by an individual, without reference to the Boy Scouts of America and without binding the local council, the Boy Scouts of America, or the chartered organization?

Before any person in your unit signs a contract, he/she must make sure the venture is legitimate and worthy. *If a contract is signed, he/she is personally responsible.* He/she may not sign on behalf of the local council or the Boy Scouts of America, nor may he/she bind the chartered organization without its written authorization. If you are not sure, check with your district executive for help.

3. Will your fundraiser prevent promoters from trading on the name and goodwill of the Boy Scouts of America?

Because of Scouting's good reputation, customers rarely question the quality or price of a product. The nationwide network of Scouting units must not become a beehive of commercial interest.

4. Will the fundraising activity uphold the good name of the BSA? Does it avoid games of chance, gambling, etc.?

Selling raffle tickets or other games of chance is a direct violation of the BSA Rules and Regulations, which forbid gambling. The product must not detract from the ideals and principles of the BSA.

5. If a commercial product is to be sold, will it be sold on its own merits and without reference to the needs of Scouting?

All commercial products must sell on their own merits, not the benefit received by the Boy Scouts. The principle of value received is critical in choosing what to sell.

6. If a commercial product is to be sold, will the fundraising activity comply with BSA policy on wearing the uniform?

The official uniform is intended to be worn primarily for use in connection with Scouting activities. However, council executive boards may approve use of the uniform for any fundraising activity. Typically, council popcorn sales or Scout show ticket sales are approved uniform fundraisers.

7. Will the fundraising project avoid soliciting money or gifts?

The BSA Rules and Regulations state, "Youth members shall not be permitted to serve as solicitors of money for their chartered organizations, for the local council, or in support of other organizations. Adult and youth members shall not be permitted to serve as solicitors of money in support of personal or unit participation in local, national, or international events."

For example: Boy Scouts/Cub Scouts and leaders should not identify themselves as Boy Scouts/Cub Scouts or as a troop/pack participate in The Salvation Army's Christmas Bell Ringing program. This would be raising money for another organization. **At no time are units permitted to solicit contributions for unit programs.**

8. Does the fundraising activity avoid competition with other units, your chartered organization, your local council, and the United Way?

Check with your chartered organization representative and your district executive to make certain that your chartered organization and the council agree on the dates and type of fundraiser.

The local council is responsible for upholding the Charter and Bylaws and the Rules and Regulations of the BSA. To ensure compliance, all unit fundraisers MUST OBTAIN WRITTEN APPROVAL from the local council NO LESS THAN 14 DAYS before committing to the fundraising activity.

