

Frequently Asked Finance Questions

Is there a recommended process for budget building?

Yes, make a list of expenses and assign a cost to each item. Use last year's expenses (e.g., awards, advancement, recognition, trips, entry fees, registration fees, Boys' Life magazine, insurance, handbooks, neckerchiefs, unit numerals, financial assistance, training fees for youth and adults, program materials, equipment replacement) itemize all costs and add the total. It is often helpful to view expenses in terms of cost per youth member.

How do we earn money for our unit?

You can earn all the money you need for your budget by taking part in our council's Fall Popcorn sale. Just let your District Popcorn "Kernel" (a volunteer who runs the popcorn sale in your district) or your District Executive (the BSA professional employee responsible for serving units in your district) that you want to participate in the popcorn sale, and they'll tell you when training will take place and give you everything you need to take part.

Can we charge dues?

Yes. However, we ask that you keep any dues amount at a level where each youth member can learn to pay their way without dues posing a hardship.

Should our Scouts' and leaders' registration fees be a part of our budget?

Yes. Adding registration fees to the budget helps make the rechartering process much easier (recharter is the process where your unit tells BSA at the end of the year who is re-registering as a member of your unit and who is dropping out).

How specific do we need to be with our unit budget plan?

Be as specific as possible but remember that things happen and you might have an unanticipated expense. It's a good idea to keep a reserve fund of 15-30% of your annual budget for emergencies.

Can a unit (pack or troop) solicit funds?

Soliciting funds from within the unit is acceptable, but no other solicitation is allowed.

Can a unit elect to earn money in ways other than Popcorn?

Yes, though you will spend more time selling and make less money doing it compared to the popcorn sale. Units can be approved to raise funds from something other than popcorn by submitting a Unit Money-Earning Application form.

Are signatures required for the online Unit Money-Earning Application form?

No. However, our council grants approval with the understanding that Chartered Partner and Unit Committee approval has been secured.

Why is this Unit Money-Earning Application important?

It is national policy, but here are some of the reasons why the policy is in place:

- Call referral of potential customers
- Problem solving
- Health & Safety
- Guide units in making good decisions
- Save units from possible heartache
- Ensure that units are not binding the Boy Scouts of America or the Capitol Area Council in contractual agreements

Which units must complete a Unit Money-Earning Application form?

Any unit engaging in non-council money-earning efforts with the sale of goods or services must file.

Does our unit have to pay state sales tax on purchases made solely for the use of our unit?

Most purchases made exclusively for unit usage can be claimed to be exempt from state sales tax. Use the State Sales Tax Exemption Certification. This works for most merchants but not all; for example, you will not be able to use this form at a Sam's Club unless the membership is set up in the name of your unit. If you find retailers demanding something more than the Tax Exemption Certification, use the tax letter for troops.

Is our individual Scout unit a charitable organization?

No. Chartered partners are often charitable, but units are not automatically subordinated to share the same status.

What is the IRS Form 990-N, and does our unit need to file annually with the IRS the electronic postcard 990-N?

In 2008, the IRS introduced a new, abbreviated filing for small tax-exempt organizations with annual gross receipt of less than \$25,000 (this amount was later raised to \$50,000): Form 990-N. The BSA national office consulted with the IRS and outside counsel, as to whether this new filing requirement applies to Cub Scout Packs, Scouts BSA Troops, Venturing Crews, and other units. In their opinion, most Scout units do not have to file the new Form 990-N. For most units, no filing is required. The only exception is for the very small number of units that have filed for separate, federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Those units must file either Form 990-N (if their annual gross receipts were less than \$50,000) or the more detailed Form 990 or 990EZ (if annual gross receipts were \$50,000 or more).

Can our Scout unit be covered under the BSA's group exemption?

No. The IRS only allows local councils (and council trust funds) to be included under the BSA group exemption. Packs, troops, and other Scout units cannot be included under the BSA group exemption because they belong to their chartered organization. (Note: tax issues for Girl Scout troops are handled differently by the IRS because of how their cookie sales are structured).

Is it all right if our unit solicits companies, foundations, or individuals?

No. There is no provision in the BSA's Unit Money Earning Guidelines for this kind of solicitation.

How long does our unit need to retain financial records?

Most transactions are online these days so retaining a hard copy of records is not absolutely necessary. However, a good rule of thumb to go by for the person in charge of finances is to keep hard copy records for the time they are in that position – handing over the hard copy to the next person handling the records. Where possible, it is best to retain 2-3 years' worth of hard copy records. You definitely will want to keep important documents involving any change in account signers or any other big or unusual activity. Financial institutions keep records for seven years. Should units need anything that far back, you can usually find the information at its financial institution.

How can Eagle Scouts raise money to fund their project?

Eagle Scout projects cannot be a fundraiser, but Eagle Scout candidates fundraise or earn money in order to secure materials to be used for a project. Eagle Scout candidates should work with the organization for which they are rendering service and ask what funds are available for the project. If candidates opt to solicit they will need to use the tax ID number from the organization for which they perform service.

Should our chartering organization consider insuring unit equipment?

It is suggested (though not required) that your chartering organization insure unit equipment. Remember, the chartered organization owns the unit, and all funds used by the unit remain the responsibility of the chartered organization as long as the charter issued by the BSA remains in place. It is recommended that an inventory be given annually to the chartered partner of the unit's equipment.

What happens to unit funds and equipment should the unit dissolve?

In the event of the dissolution of a unit, or the revocation or lapse of its charter, the unit committee shall apply unit funds and property to the payment of unit obligations and shall turn over the surplus, if any, to the local council. In the case of a chartered organization, any funds or equipment which may have been secured as property of the unit shall be held in trust by the chartering organization or the council, as may be agreed upon, pending reorganization of the unit or for the promotion of the program of the Boy Scouts of America.

Can we use our EIN for purposes other than checking account identification?

No.

<https://www.bsacac.org/resources/unit-finance/>