

**Boy Scouts of America  
Unit Finance Information**

## **Popcorn and Camp Card Sale supports:**

In addition to funding your unit's program, the Popcorn and Camp Card sale, supports Scouting in Circle Ten Council, through the following:

- Circle Ten Council Scouts use our four camps at **no cost year-round**
- **Camp improvements** – more than \$1 million in improvements have been funded by the Popcorn and Camp Card sales over the past three years. Additionally, annual camp maintenance, insurance costs and utilities have increased from \$409,000 in 2009 to \$810,000 in 2015.
- **ScoutReach**, Circle Ten Council's scholarship program, provides \$3 million annually to support 12,685 youth - Popcorn and Camp Card sales help make this program possible
- **Rank advancements**, including Eagle kits and Eagle recognition at Council Banquet, are provided at no cost to all Scouts in the Circle Ten Council family
- **Liability insurance** for adult volunteers and secondary insurance for Scout families is provided at no cost to Scouts or their families
- Since the revenue from Popcorn and Camp Card sales is "undesigned", it gives the Circle Ten Council Board flexibility to use these funds for other programs (STEM Scouts, new programs at camp, new staff positions, etc.)



## FISCAL POLICIES AND PROCEDURES FOR BSA UNITS

### FREQUENTLY ASKED QUESTIONS

#### **Should our unit have a checking account?**

Yes. Unit funds should be deposited in a checking account that requires two signatures on every check unless the chartered organization requires other procedures.

#### **Does a unit need its own tax identification number? If so, where do we get it?**

The answer depends on the chartered organization. Most units obtain their own tax ID number by completing IRS Form SS-4. The current form and instructions are available on the IRS website ([www.irs.gov](http://www.irs.gov)). The chartered organization should be the "responsible party." Contact your chartered organization for written permission. Contact your local council for more information.

#### **Who is responsible for the finances of the unit?**

The unit committee is responsible for the unit's finances, but the assets belong to the chartered organization.

#### **Should our unit consider insuring our unit equipment?**

Yes. It is suggested that your unit insure its equipment. Remember, the chartered organization owns the assets.

#### **Can our unit deposit funds with the local council?**

Yes. Most councils allow units to deposit funds to their credit in the council service center.

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

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 chartered 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.

#### **When should our unit submit a BSA Unit Money-Earning Application?**

For all unit fundraising. Approval must be given in advance by the chartered organization and the local council.

#### **Is our unit considered tax-exempt by the IRS?**

Chartered organizations vary widely in tax status, but the tax status of your unit is the same as that of your chartered organization if the chartered organization includes the unit in its tax status.

#### **Does our unit need to file annually an electronic postcard 990-N with the IRS?**

The BSA national office consulted with outside counsel. In their opinion, most units do not have to file. 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.

#### **Can our 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.

**Can our unit be exempt from state sales taxes?**

The unit may qualify for a number of state sales tax exemptions as a nonprofit organization under your state laws. Check with your own state; this varies widely across the country.

**A volunteer suggested that our unit apply for its own tax-exempt status. Can we?**

Units should not incorporate or apply for their own tax-exempt status. Units are not legal entities.

**Can we solicit gifts for our unit?**

No. Simply put, units are not permitted to solicit any gifts.

**Does that mean people can't make gifts to our unit?**

Anyone can contribute to a Scout pack, troop, or unit—and many donors don't need or care about charitable deductions.

**Can gifts go to the local council to benefit our unit, then "pass through" the council to us?**

No. Your unit "belongs" to your chartered organization, not to your local council.

**My local company has employee volunteerism grants. Can these gifts go to our unit?**

Employee incentive awards and volunteerism grants usually can NOT go to a unit, due to the company's giving restrictions. Corporate donations often can only go to charities that are "501(c)(3)."

**Can my unit credit amounts from fundraising to an individual toward their expenses?**

See the Product Sales Guide for more information.

Questions? Need more information? Please contact your local council.  
Thank you for all you do for Scouting and the youth in your community.

# UNIT MONEY-EARNING APPLICATION

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

(Local council stamp)

Please submit this application to your council service center at least two weeks in advance of the proposed date of your money-earning project. Read the 10 guides on the other side of this form. They will help you in answering the questions below.

- Pack
- Troop
- Team
- Crew

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? \_\_\_\_\_

How much does your unit have in its treasury? \_\_\_\_\_

Signed \_\_\_\_\_ Signed \_\_\_\_\_

(Chartered Organization Representative)

(Unit Leader)

Signed \_\_\_\_\_

(Chairman, Unit Committee)

(Address of Chairman)

**FOR USE OF DISTRICT OR COUNCIL FINANCE COMMITTEE:** Telephone \_\_\_\_\_

Approved by \_\_\_\_\_ Date \_\_\_\_\_

Approved subject to the following conditions \_\_\_\_\_

## GUIDES TO 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 fund-raising 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 must make sure the venture is legitimate and worthy. If a contract is signed, he is personally responsible. He may not sign on behalf of the local council or the Boy Scouts of America, nor may he bind the chartered organization without its written authorization. If you are not sure, check with your district executive for help.

**3. Will your fund-raiser 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 fund-raising 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 fund-raising 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 fund-raising activity. Typically, council popcorn sales or Scout show ticket sales are approved uniform fund-raisers.

**7. Will the fund-raising 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 fund-raising activity avoid competition with other units, your chartered organization, your local council, and the United Way?**

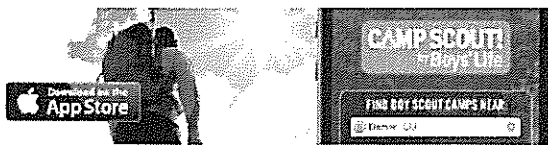
Check with your chartered organization representative and your district executive to make certain that your chartered organization and the council agree on the dates and type of fund-raiser.

**The local council is responsible for upholding the Charter and By-laws and the Rules and Regulations of the BSA. To ensure compliance, all unit fund-raisers MUST OBTAIN WRITTEN APPROVAL from the local council NO LESS THAN 14 DAYS before the fund-raising activity.**

#34427







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# BRYAN ON SCOUTING



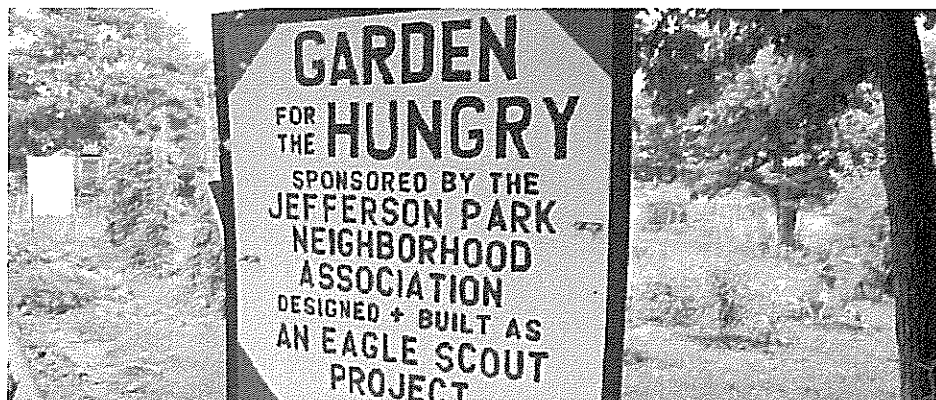
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## Crowdfunding sites and Eagle project fundraising

Posted on July 21, 2014 by Bryan Wendell in Eagle Scout, Fundraising // 30 Comments



These days, nearly everybody who wants funding for their gadget, movie or videogame considers the crowdfunding route.

With the help of sites like Kickstarter, crowdfunding is a painless — though not always successful — way to get funds for a project.

The crowdfunding surge has led many Scouts to wonder whether their Eagle project could benefit from this source of money.

The short answer: Yes, boys working on their Eagle project are permitted to use these sites to raise funds for materials, equipment rental, professional services, etc.

The longer answer: An Eagle project doesn't have to cost a lot to be meaningful. Eagle projects carried out with minimal, if any, expense are always preferred to those with high price tags. The BSA prefers there not be any fundraising at all for an Eagle project. That said, the BSA knows low-price projects aren't always a realistic goal.

Read on for many more details about crowdfunding Eagle projects and Eagle project fundraising in general.

### Crowdfunding options

Though Kickstarter gets a lot of headlines, there are hundreds of crowdfunding sites out there.

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### Blog Contributors

**Bryan Wendell**, an Eagle Scout, is senior editor of *Boys' Life*, *Scouting* and *Eagles' Call* magazines.

**Gretchen Sparling** is associate editor of *Boys' Life*, *Scouting* and *Eagles' Call* magazines.

(Wikipedia compares them here.)

The Boy Scouts of America won't get into the potentially hazardous business of endorsing one over the other.

If you do choose the crowdfunding route, carefully read the fine print on any site you're considering.

Among the questions prospective Eagle Scouts should consider:

- What kind of financial cut will the site take?
- Do you receive donations even if you don't reach your stated monetary goal?
- How long does it take to get your funds after the donating window closes?
- Are you required to offer some sort of reward to backers? If so, what will the rewards be?
- What will you do if you don't reach your goal? (On Kickstarter, for example, 56 percent of projects never reach their goal.)

## More specifics on Kickstarter

I spoked with Justin Kazmark, who works with Kickstarter's communications team, about Scouts using Kickstarter for Eagle projects.

Nonprofits like Scouting can and do launch projects on Kickstarter, but only to fund a specific project, he told me.

Kickstarter would not be appropriate, for example, for the Boy Scouts of America to raise money for first-quarter expenses.

He took the example of a playground built for an Eagle project. The Kickstarter rules state:

- Create something to share with others. Definitely fits.
- Projects must be honest and clearly presented. "I expect anybody that's an Eagle Scout would do that," he said.
- Can't raise money for charity. Again, that's different from a nonprofit raising money for a project.

Here comes the catch. I asked him about how a Scout could use extra money raised beyond his goal. Traditionally, a Scout who raises more money than needed simply donates the excess funds to the project beneficiary. Kickstarter doesn't allow that. The extra funds would need to be put back into the project.

For a playground, for example, a Scout could get more expensive see-saws.

To avoid this, a Scout could stop accepting donations once he reaches his goal.

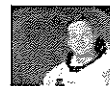
## The BSA prefers you don't fundraise for Eagle projects

This from the BSA's May 2012 Advancement Newsletter:

### Minimizing Eagle Scout Service Project Fundraising

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*As part of planning, developing, and leading his project to a successful conclusion, the Eagle Scout candidate must develop the project proposal and the resources (financial, material, and labor) to accomplish it.*

*There are many worthy service projects that can be carried out at minimal, if any, expense. These are preferred to those with high price tags. To be clear, the BSA prefers there not be any fundraising at all; however, it is understood that this is not realistic. In those cases, all fundraising or requests for material donations should be done in a restrained manner similar to simple unit fundraising efforts. The BSA prefers little or no fundraising primarily because of legal issues relating to accounting and receipting for funds, custodial responsibilities, potential tax deduction issues, and so forth. When fundraising is kept to a minimum, similar to typical unit money-earning projects, there is less chance for problems to develop.*

*Large-scale fundraising efforts can add complexities in which minors should not be involved. This can be further complicated because funds are raised in the name of the beneficiary and not the BSA.*

## Fundraising options (if it's necessary)

Again, from the BSA's May 2012 Advancement Newsletter:

Once it has been determined that external fundraising may be necessary, it is up to the Scout to identify specific options to use.

**Traditional approaches** such as car washes, selling various products, or hosting an event such as a spaghetti dinner or a yard sale may be considered.

"Fundraising" also includes the **solicitation of donations** for cash or materials. (This is where crowdfunding fits in.)

## Fundraising application is required

The BSA's May 2012 Advancement Newsletter states:

Whatever is done, if it reaches beyond the Scout and his family, his unit, or the beneficiary, as described in the Guide to Advancement, an Eagle Scout Service Project Fundraising Application is required.

That application is conveniently located within the Eagle Scout Service Project Workbook.

## How may you use the funds raised?

Once again, the BSA's May 2012 Advancement Newsletter:

*The Guide to Advancement, topic 9.0.2.10, states: "Fundraising is permitted only for securing materials and otherwise facilitating a project." This statement is intended to preclude projects that are primarily fundraisers, but it does not specify how funds are to be used to accomplish the project itself.*

*In fact, any funds collected can be used as allowed by the beneficiary for all necessary and reasonable expenses including such things as materials, equipment rental, professional services, and even food and water for volunteers as they assist with the project. An important factor here, though not required, is for the Scout to have a budget proposal that identifies all areas of expense that he has reviewed with the project beneficiary prior to beginning fundraising efforts.*

*Because fundraising efforts for an Eagle Scout service project are to be facilitative, and minimized insofar as practical, it is inappropriate to apply the language of the service project requirements to them. The requirements for planning, developing, and giving leadership must be met through the project itself, not through the fundraising element. For this reason, approaches such as online fundraising are acceptable.*

## General unit fundraising (not for projects)

Crowdfunding sites work well for **project-based fundraising** but aren't the right approach for **general fundraising**.

Mark Moshier explains more in this post.

Kickstarter's rules state that their projects shouldn't be used for overall charity fundraising. You need to have a finite creative project to fund, not an ongoing organization or business.

So while it's OK for Eagle projects, it shouldn't be used to fill your unit's coffers or as a substitute for selling popcorn, etc.

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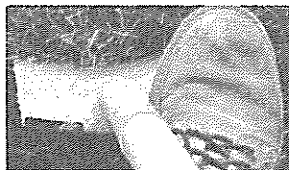
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## 30 Comments on Crowdfunding sites and Eagle project fundraising



henryt55 // July 21, 2014 at 8:04 am // Reply

## **Individual Youth Accounts**

A Scout is thrifty. Learning to manage money is one of the ways the Boy Scouts prepare youth for life. Budgeting and earning money to accomplish goals through an approved council or unit project helps Scouts develop self-reliance and the skills of personal finance management. Unit fundraising designed to make Scouting affordable is a fundamental part of Scouts "earning their way." Product sale fundraising is an important asset to units and their members to help provide the resources required for Scouting to succeed.

Private benefit rules of the Internal Revenue Service prohibit those involved in nonprofit fundraising from receiving a substantial personal benefit for their efforts. Some practices where dollar for dollar credit is provided for the sole benefit of the person who sold product based upon amount sold could violate the private benefit prohibition. While the BSA has not endorsed "Individual Scout Accounts" for private benefit of individual Scouts who participate in fundraising because of the IRS rules, unit fundraising designed to make Scouting affordable is a fundamental part of Scouts "earning their way".

Funds raised by the unit from product sales belong to the unit. They may not be transferred to the Scout or another unit, but may be re-assigned to units sponsored by the same chartered organization, such as when a Scout moves from Cub Scouts to Boy Scouts or Boy Scouts to Venturing. The unit committee is responsible for expenditures from unit funds for the benefit of the unit. Unit funds may be used to reduce the cost of participation, including the cost of attending camp or obtaining uniforms. They may be used to provide financial assistance or awards to individual Scouts based upon their level of participation generally or in specific activities benefiting the unit, chartered organization or community, attendance, advancement and/or need. Unit funds may be used to buy equipment for the unit or for any other legitimate need of the unit.

## Circle Ten Council Refund & Cancellation Policy

In order to make the best use of Council resources and to communicate more clearly with our volunteers, all Council and District events will adhere to the following refund policy. This information should be included on the website, any promotional literature, and sign-up forms.

1. All refund requests must be submitted in writing or by email to:

Accounting – Refund Request    or    Lynette.Hendricks@Scouting.org  
8605 Harry Hines Blvd  
Dallas, TX 75235

2. Refund requests for Summer Camp fees will be processed according to the current Camp Leaders' Guide.
3. Refund requests for Philmont or other high adventure trek, or for Jamboree will be considered only if a replacement Scout is found.
4. Fees for Wood Badge training may be transferred to another Wood Badge course one time. If the participant cannot attend the second course, fees will be refunded according to this policy.
5. For all other events – a service charge of 10% (minimum of \$5.00) will be assessed to cover administrative fees.
6. Refund requests will be considered for accident, illness, or death in the immediate family, or due to family relocation. Fees will not be refunded due to the participant's required attendance at summer school, Saturday school, or other school activity. No refund requests will be accepted more than 5 calendar days following the start of an activity (postmark date or email send date).
7. Refund requests must include:
  - a. Name and date of the event
  - b. Name, telephone, email, and address of the person requesting refund
  - c. Name, telephone, email and address of the person or unit that made the payment, if different from item (b)
  - d. Unit number
  - e. Receipt or confirmation number, if available
  - f. Date and method of payment (online, in person, mailed in)
  - g. Reason for request
8. Refunds will be made by check to the person or unit that made the original payment and will be processed within 30 days of receiving the request.