



# BOY SCOUTS OF AMERICA®

## CROSSROADS OF THE WEST COUNCIL

### Unit Finances - FAQ

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

The unit committee is responsible for the unit's finances. A treasurer is assigned and the committee chairperson should receive the bank statement to reconcile monthly. All unit funds should pass through the bank account; this includes but is not limited to dues, money from unit fundraisers, product sales, and gifts.

- **Should our unit have a checking or savings account?**

Yes, unit funds should be deposited in a checking or savings account that requires two signatures on every check or withdrawal. The unit leader could be one of the signees, but a committee person is recommended. Sponsoring institutions may have different guidelines for units sponsored by their institution.

- **Does a pack or troop need its own tax identification number? If so, where do we get it?**

All units need a tax ID number (also referred to as an "EIN" Employer Identification Number). Units should NOT use the Social Security number of an adult leader. Units may use the tax ID number of their chartering organization, if given permission. This may be especially useful for the unit if that organization is tax-exempt. Most units obtain their own tax ID number by completing IRS Form SS-4. There is no cost involved. The current form and instructions are available on the IRS website at [www.irs.gov](http://www.irs.gov).

- **Is our pack or troop considered tax-exempt by the IRS?**

If its sponsoring organization is also tax-exempt. The unit is actually "owned" by its chartered organization. Chartered organizations vary widely in tax status, but the tax status of your unit is the same as that of your chartering partner.

- **Can our pack or troop 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 we apply for our own tax-exempt status?**

Units should not incorporate or apply for their own tax-exempt status. Units could lose their charter if they tried to get their own tax-exempt status and solicit tax-deductible gifts.

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

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

No. Simply put, units are not permitted to solicit any gifts. Both the Charter and Bylaws and the Rules and Regulations of the BSA make this very clear — only local councils may solicit individuals, corporations, United Ways, or foundations for gifts in support of Scouting. Units, unit leaders, and youth members may not solicit gifts in the name of Scouting or in support of unit needs and activities. Units are also prohibited from soliciting gifts on their websites. Units may earn money for activities through approved fundraisers.

- **Can I use the council's Tax ID Number for donations to my local unit?**

No, because your local unit is owned by your sponsoring organization any gifts to your unit would be a gift to the sponsoring organization and it should be that tax ID number you use.

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

For all unit fundraising, all unit money-earning projects must be approved in advance by using BSA's Unit Money-Earning Application. Approval must be made by the chartered organization and the local council.

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

Units are not supposed to solicit gifts, but they can receive gifts. Anyone can contribute to a pack, troop, or unit — and many donors don't need or care about charitable deductions. Obviously, defining a "solicited gift" is not always easy. But we rely on our unit leaders to set good examples, and honor the intent and spirit of these important guidelines. We know it's hard to stop people from being generous, especially towards Scouting.

- **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. IRS guidelines prohibit any charity from accepting gifts that are "passed through" to a person or unrelated entity.

- **My local company has employee volunteerism grants and they will contribute to charities where I volunteer my time. Can these gifts go to our unit?**

Employee incentive awards and volunteerism grants usually can NOT go to a pack, troop, or unit, due to the company's giving restrictions. Corporate donations often can only go to charities that are 501(c) (3) charities, and many units are not chartered by tax-exempt charities. Also, many companies won't make gifts to religious organizations. If a unit is "tax-exempt," it's often because it's chartered to a place of worship, so they can't receive corporate funds either. Of course, corporate awards and grants may go to any local council.

- **What Tax ID Number should I use for an Eagle Project?**

Donations to an eagle project are donations to the organization benefiting from the project and not donations to the council or your local unit. Any excess donations should be returned to the beneficiary organization. Therefore, you should use the Tax ID number of the beneficiary organization. For example if you were building bird boxes for the bird refuge you would use the Tax ID number for the bird refuge for any donation.

- **Can I make a donation to the United Way and have it counted towards Friends of Scouting.**

We encourage generous participation in local United Way campaigns and encourage donors to designate the Crossroads of the West Council as a beneficiary. However, due to IRS and accounting rules we are required to separate gifts given directly to the Crossroads of the West Council and gifts given indirectly through organizations such as the United Way. We are unable to apply United Way gifts to Friends of Scouting.

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

Yes, the Crossroads of the West Council provides "Tendercard" account where a unit may deposit money and use these funds in the national Scout Shops and in the Council offices.

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

Yes, it is suggested that your unit insure its 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. Insurance guidelines may vary by sponsoring organization.

- **What happens to the 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.