



# GREATER ST. LOUIS AREA COUNCIL & SCOUTING AMERICA, National Council

## FISCAL POLICIES AND PROCEDURES FOR BSA UNITS

### *Frequently Asked Questions*

#### Current Unit Asset Management

- **Charter Organization Units:** Assets of the unit generally belong to the Charter Organization 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.
- **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. 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's 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.
- **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 tax year. Charter Organization Units utilizing PayPal or Venmo should ensure they are using appropriate EINs and following all policies and procedures.

#### Equipment Insurance

- All equipment should be insured with appropriate liability, casualty, and property coverage. They 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. Surplus funds should be turned over to the charter organization to be used for Scouting purposes.

#### 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.