

GUIDELINES FOR UNIT FUNDS

Tax ID Numbers	Under the Chartered Partner Concept, Chartering Organizations (churches, service clubs and community organizations) “own” the Pack, Troop, Crew, Team and Post units that are affiliated with the Boy Scouts of America’s program. Units are encouraged to get their federal ID number (needed to establish an account with a local bank) and sales tax exempt number from their charter organization, but they can apply directly to the IRS or state. Often the IRS will provide the unit with a federal ID number over the telephone (1-800-829-4933) or a unit can apply online at IRS.gov. For a MN sales tax exempt number go to www.taxes.state.mn.us or call 1-800-657-3777. For a WI sales tax exempt number go to www.revenue.wi.gov . If you have any further questions about setting up a tax ID, please call 651-254-9163.
Reconciling Accounts	The unit committee is responsible for unit finances and a unit budget. A treasurer is recruited to administer the account and the committee chair should receive the bank statement to reconcile. All unit funds should pass through the bank account including but not limited to dues, fundraising dollars, popcorn sales income and camping fees. An exception might be registration fees which are collected as part of an organized Youth Recruitment program. In this case, fees collected can be sent directly to the Scout Service Center.
Checking Accounts	Unit funds should be deposited in a checking account that requires two signatures on every check. <i>Same-family members must not approve payment or be the second signatory.</i> The unit leader could be one of the signers, and it is recommended that one be a committee person. Unit leaders might have a petty cash fund (with a limit set by the unit committee) which is accounted for with receipts each month. <i>The chartered organization should audit the unit finances annually and make a report available to the membership of the chartered organization.</i>
Unit Equipment	The Chartered organization “owns” the unit, and all property and funds used by the unit remain the property of the organization as long as the BSA charter remains in place. A unit is an unincorporated association, not a legal entity that can bear title to property. Gifts to a unit are almost never tax deductible. An annual inventory of a unit’s equipment should be given to the chartered partner. Insuring the unit’s equipment is recommended. If a unit is dissolved or the charter lapses or is revoked and all efforts to reorganize have been exhausted, the chartered partner shall apply unit funds and property to the payment of unit obligations and then give the surplus to the Council or another youth-serving program, Scout unit, or agency.
Unit Accounts at the Service Center	All units can maintain an account at the Scout Service Center for the purchase of patches, pins, books, etc., at the Scout Shop or for registration, rechartering, Boys’ Life subscriptions or camping fees. This account cannot be used at the Scout Shops in Mounds View, Burnsville, or other councils. A print out of the account activity can be obtained from customer service by calling 763-231-7203. Unit accounts are provided as an optional, complimentary, limited service. The funds do not earn interest, and the bookkeeping system and software will not allow a negative balance.
Youth Accounts	Some units allow youth to accrue portions of funds raised in an account under their name, rather than billing families that don’t participate equally in the fundraiser. To prevent violation of IRS “private benefit” rules, the youth member should not earn more than 20% of the total net profits from a fundraiser; the funds may only be used for Scouting purposes reflected within the scope of unit activities; and the criteria for how much “credit” they have earned should be based on Scout spirit and participation in all activities, rather than how much a Scout raised in the fundraiser. If a youth transfers to another unit, such funds can follow to the new unit, but must be transferred directly from one unit to another.