



BOY SCOUTS OF AMERICA
GREATER ST. LOUIS AREA COUNCIL

Unit Finance Facts

General Comments:

Businesslike finance management not only assures that your unit will remain solvent and have what it needs when it needs it, it also provides a fine example for your youth members.

A good unit should neither run on the brink of insolvency nor accumulate surpluses. It should neither spend more than it earns nor earn more than it spends. As much harm can be done with one extreme as with the other.

Therefore, unit finances must be budgeted.

A budget is a plan for receiving and spending money. A unit budget is made up a year at a time, usually for the year covered by the unit charter, though it may be based on a calendar or program year.

In developing the budget, expenses for the year must be estimated, and a plan devised for meeting those expenses.

To determine what the unit expenses will be for the year, the unit annual program must be analyzed. Past expenses will serve as a guide for judging amounts needed for each budget category — one-time expenses, tents, etc.

In keeping with the principles of Scouting, the program of the unit is paid for by the members with money they earn and save themselves. A unit that operates through the generosity of others and finances itself by the efforts of adults fails in its responsibility to teach its members self-reliance.

Setting up and supervising the unit budget plan is a major responsibility within every Scouting unit. Although packs, troops, crews, and posts use a different means to determine their own budget needs, each Scouting unit falls within the official "Policies Regarding Scout Financing and Solicitation." (Page 2 of this pamphlet)

We have found that many units express concern or violate policy simply because of lack of understanding as to intent. We must recognize (A) the value of the good name and good will of the Boy Scouts of America, (B) the philosophy of value given for value received, and (C) the fact that Scouting exists to provide a wholesome program to the youth of our community and not to develop a cadre of young salesman. Money-earning projects should be designed as a means to supplement, not replace, the budget plan or dues system.

Additional information concerning unit budgets, the treasurer's job, camper savings plans, forms, and records can be found in:

Unit Budget Plan, Boys, Basics, and Budgets
Pack Record Book
Cub Scout Leader Book
Troop & Team Record Book
Scoutmaster Handbook
Troop Committee Guide Book
Varsity Scout Leader Guidebook
Venturing Leader Handbook
Explorer Leader Handbook

Is your unit exempt from paying state sales tax? The answer is yes...

Missouri:

The state of Missouri requires every Cub Scout pack, Boy Scout troop, and Explorer post to have its own sales tax "exemption letter" and "sales tax exemption number."

In order for your unit to be exempt from paying Missouri sales tax, you need an "Exemption Form Missouri Sales and Use Tax on Purchases and Sales" letter issued by the Missouri Department of Revenue. This letter authorizes sellers to exempt the tax for items/supplies purchased for your unit, such as patrol food purchases, advancement/unit purchase material at the Scout Shop, etc.) It is not for individual use, AND clothing is not exempt. Some sellers require a copy of the letter, so be prepared.

In order to get this letter, you must submit a completed "Missouri Sales/Use Tax Exemption Application" Form No. DOR 1746.

To obtain a form, call 1-800-877-6881 (a recorder). Leave your name and mailing address plus the number of the form needed, DOR 1746. Note: Response from the 800 number may take up to six weeks. You can also obtain a form via the Internet www.dor.state.mo.us. (1) Under taxes, click on forms, (2) click on sales tax, (3) click on form 1746. You can call the state office direct at 573-751-2836.

Illinois:

Scouting units are also exempt from sales tax in Illinois; however, the state of Illinois does not require individual units to have their own sales tax "exemption letter" and "sales tax exemption number."

Scouting units may use the Greater St. Louis Area Council Illinois Tax Exemption Letter and number: To obtain a copy of this letter, contact the Finance Department, Greater St. Louis Area Council—Boy Scouts of America, 4568 West Pine Blvd., St. Louis, MO 63108-2193, 800-392-0895.

This number authorizes sellers to exempt the tax for items/supplies purchased for your unit, such as patrol food purchases, advancement/unit purchased materials at the Scout Shop, etc.) It is not for individual use, AND clothing is not exempt.

Does your unit need a Federal Tax Identification Number? The answer is yes...

Scout units are exempt from paying tax on interest earnings or having money withheld from interest earnings. However, banks and other financial institutions are required by law to have a federal I.D. number for every interest-earning account. Units that have interest-earning accounts should apply for their own federal I.D. number.

To obtain a Federal Tax Identification Number, contact the Internal Revenue Service at 314-342-1040 (toll free, 800-829-1040) or write the Internal Revenue Service Information and Forms, 1114 Market, St. Louis, MO 63101. Access via the Internet at www.irs.ustreas.gov: (1) Click on forms and pubs (toward the bottom of page), (2) click on forms and publications by number, (3) click on form SS-4. This is the application for an Employer Identification Number (E.I.N.).

After you receive the form, call Kansas City at 816-823-7777, Monday- Friday, 7:30 to 11:30 a.m., or fax your completed application to 816-823-7776 and provide a return fax number next to your signature. Please allow six to eight business days to receive your E.I.N. number by fax.

I.R.S., Kansas City Service Center
Stop 42, Entity Control Unit
2306 East Bannistor Road
Kansas City, MO 64131

Policies Regarding Scout Financing and Solicitation

The following Rules and Regulations of the Boy Scouts of America set forth the policies which affect members of the organization, its councils, and individual chartered units regarding commercial projects, money-earning efforts, sale of tickets, and solicitation of money.

ARTICLE IX

SECTION 2

Unit Money-Earning Projects

Clause 3. Units may conduct money-earning projects only when the project has been approved by the local council and is consistent with the principles set forth in these Rules and Regulations.

Scouting Public Display Activities

Clause 4. Local councils may approve the sale of tickets for the public display of Scouting activities, such as merit badge shows, circuses, rallies, and demonstrations, when (a) the nature of the program or function offers a value commensurate with the purchasing price of tickets offered for sale, (b) the sale of tickets is not used as an indirect method of defeating the purpose of Article IX, Section 2, Clause 7 of these Rules and Regulations, and (c) the participation of Cub Scouts, Scouts, Explorers, and Venturers in the sale of tickets for such affairs is confined to their parents and friends and does not involve methods similar to those used in the sale of tickets or other general solicitation.

Advertising Policy

Clause 5. Advertisements to be acceptable for Scouting publications, in addition to meeting the standards in general use by publishers of high-grade periodicals and other advertising media, must:

(c) Avoid involving the use of members of the Boy Scouts of America as such, whether in or out of uniform, as salesmen of products or services; further, that in all cases the product or service must have merit warranting the purchase price, and the project shall not involve capitalizing the movement or encourage Cub Scouts, Scouts, Explorers, or Venturers to appeal for response because of sympathy or the belief that Scouting will be helped rather than because the article or service is desired on its merits.

Commercialism Policy

Clause 7. Commercial Contracts.

(a) No member of the Boy Scouts of America, chartered unit, chartered local council, or any officer or representative of the Boy Scouts of America shall

have the right to enter into a contract or relationship of a commercial character involving the Boy Scouts of America unless duly authorized by the Executive Board, and then only in connection with the carrying out of the purposes of the Scouting movement.

(b) Nor shall any local council or chartered unit enter into a contract or business relationship with a business or commercial agency or corporation or individual which may be construed as using the Scouting movement to conduct a commercial product, or give endorsement for commercial purposes, such as an effort to capitalize public interest in the Scouting movement rather than depending upon the merits of the business proposition. This shall not be interpreted, however, as interfering with Cub Scouts, Scouts, Explorers, or Venturers earning money for their own equipment or for their unit, provided the money is earned through service actually rendered and is not dependent upon capitalizing interest in the Boy Scouts of America.

Clause 8. Sales of Services. Under no circumstances shall a bugle of life and or drum corps or band made up of members of the Boy Scouts of America enter into a contract as members of the Boy Scouts of America for the sale of their services in competition with any other bands of their own or any other community.

ARTICLE X

Section 4

Use of Uniform

Clause 7. The official uniforms are intended primarily for use in the connection with the activities of the Scouting movement, but their use may be authorized by local Scouting officials under conditions and for purposes not inconsistent with the principles of Scouting and the Scouting program, provided, however, the uniforms shall not be used:

(a) When soliciting funds or engaging in any commercial enterprise. But this shall not be construed to forbid members of the Boy Scouts of America in uniform from participating in local council approved unit money earning projects that do not involve the sale of a commercially produced product or service.

(b) When engaging in a distinctly political endeavor.

(c) When appearing professionally in any entertainment medium without specific authority from the Executive Board.

UNIT MONEY EARNING SUGGESTIONS

The amount of money that your unit can earn by conducting one or more of these events is limited only by your imagination. Units from our council have raised sizable amounts of money by using the following projects. Just use a little imagination.

- ✓ Popcorn sale
- ✓ Collecting paper, aluminum, or other recyclable items for resale
- ✓ Pancake breakfasts — spaghetti supper, chicken dinner, covered dish, fish fry
- ✓ Garage sales
- ✓ Bake sales, homemade candy, doughnuts, chili, or cakes
- ✓ Checkroom or concession stand for the chartered institution
- ✓ Handicraft sales — Scout made, bird houses, Christmas wreaths
- ✓ Fun evenings — community games, dances, stage shows
- ✓ Car wash and polish

UNIT BANK ACCOUNTS & PETTY CASH

It is recommended that the unit funds be placed in a checking account in a local bank. The account should require two signatures on each check.

Unit leaders and den leaders, for instance, will need a number of miscellaneous articles for the unit or den from time to time. The unit committee should guard these leaders from the tendency to pay small bills, such as postage, out of their own pocket. A petty cash account in the amount of \$10 or \$20 should be established for these leaders. When they have used most of this fund, they should account for these expenses with receipts and be given a new cash advance.

This procedure eliminates a great deal of wasted motion. Larger bills are paid by the treasurer on recommendation of the unit leader with approval of the unit committee at a regularly scheduled committee meeting.

UNIT MONEY EARNING APPLICATION

Please submit this application well in advance of the proposed date of your money-earning project. Also read the 10 guides on the other side of this form. They will help you in answering the questions below.

Please circle one: Pack Troop Crew Post No. _____,

sponsored by _____ of the _____ 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? _____

What will this money be used for? _____

Has this project and the dates been approved by your chartered institution? _____

What are the proposed dates? _____

Are tickets or a product to be sold? Yes / No Please specify: _____

Will the boys be in uniform while carrying out his project? Yes / No (See items 4 and 5 on other side.)

Have you checked with neighboring units to avoid any overlapping of territory while soliciting? Yes / No

Is your product or service in direct conflict with that offered by local merchants? Yes / No

Are any contracts to be signed? Yes / No If so, by whom? Give details: _____

Is your unit on a budget plan? Yes / No How much are the dues? _____

How much does your unit have in its treasury? _____

Chartered Partner Representative Signature _____

Unit Leader Signature _____

Unit Committee Chairman Signature _____

Note: this form also can be found at www.stlbsa.org.

Unit Committee Chairman's Address _____

City, State, Zip _____

(_____) _____
Phone

_____ E-mail Address

When this form is completed and properly signed, mail with a self-addressed, stamped envelope to:
Greater St. Louis Area Council-BSA, Finance Department, 4568 West Pine Blvd., St. Louis, MO 63108-2193

FOR USE OF DISTRICT OR COUNCIL FINANCE COMMITTEE:

Approved (date) _____ OR approved subject to the following conditions.

TEN GUIDES TO UNIT MONEY-EARNING PROJECTS

The way in which a unit earns money to carry out its program is of great importance in the education of youth members in basic values.

Whenever your unit is planning a money-earning project, use this checklist as your guide. It will be helpful to you as you fill out the application. If your answer is yes to all the questions that follow, it is likely the project conforms with Scouting's standards and will be approved.

1. Have your unit committee and chartered organization approved your project, including the dates and the methods?

There should be a real need for earning money based on your unit's program. You should not engage in special money-earning projects merely because someone has offered you an attractive plan. It's well to remember that individual youth members are also expected to earn their own way. The need should be over and above normal budget items covered by dues.

2. Does your plan and the dates avoid competition with money-raising efforts and policies of your chartered organization, Scouting council, United Way, and other units?

Check with your chartered organization representative to see that your chartered organization agrees on the dates. He or she can also clear the other dates calling the council service center.

3. Is your plan in harmony with local ordinances, free from any stigma of gambling, and consistent with the ideals and purposes of the Boy Scouts of America?

Money-raising projects, which include the sale of raffle tickets, are in violation of this policy.

This question can be answered only in terms of specific proposals. If there is any question of its suitability, drop the project and find a better one for your unit.

4. If a commercial product is to be sold, will it be sold on its own merits and without reference to the needs of Scouting either directly (during sales presentation) or indirectly?

Teaching youth members to become self-reliant and to earn their own way is an integral part of training our youth members.

The official uniforms are intended primarily for use in connection with the activities of the Scouting movement, but their use may be authorized by local Scouting officials under conditions and for purposes consistent with the principles of Scouting and the Scouting program.

5. If tickets are sold for any function other than a Scouting event, will they be sold by your youth members as an individual without depending on the goodwill of Scouting to make this sale possible?

Tickets may be sold by youth members in uniform in the name of Scouting for such things as pack shows, troop suppers,

circuses, expositions, and similar Scouting events.

6. Even when sales are confined to parents and friends, will they get their money's worth from any product they purchase, function they attend, or services they receive from your unit?

Here again is the principle of value received — a sale standing on its own merit — so that the recipients are not in any way subsidizing either Scouting or the member. Youth members must learn to pay their own way and to honestly earn the money to do it. You cannot permit anyone to capitalize on a Scouting connection or induce sympathy as a substitute for a worthy product or service.

7. If a project is planned for a particular area, do you respect the right of other Scouting units in the same neighborhood?

It's a courtesy to check with neighboring units to coordinate the time of your project and to see that you aren't covering their territory. Your unit commissioner or service team member can help you with this.

8. Is it reasonably certain that people who need work or business will not lose it as a result of your unit's plan?

Your unit should neither sell nor offer services that will damage someone's livelihood. If possible, check with the people who may be affected.

9. Will your plan protect the name and goodwill of the Boy Scouts of America and prevent it from being capitalized on by promoters of shows, benefits, or sales campaigns?

Because of Scouting's good reputation, customers rarely question the quality or price of a product. Unchecked, the network of Scouting units could become a beehive of commercial interest to the neglect of character building and citizenship training.

10. If any contracts are to be signed by your unit, will they be signed by an individual without reference to the Boy Scouts of America, and in no way appear to bind the local council or the Boy Scouts of America to any agreement of financial responsibility?

Before any person in your unit signs a contract, he or she must make sure the venture is legitimate and worthy. If a contract is signed, that individual is personally responsible. He/she cannot sign on behalf of the local council or the Boy Scouts of America.