



Local organizations with aims and purposes that are in harmony with Scouting America may make use of Scouting America's educational resource program. Such an organization may be a religious institution, club, lodge, civic group, urban agency, industry, labor group, or other duly constituted group that assembles for the purpose of providing the Scouting program.

Scouting America makes its program available by issuing a charter for each unit (Cub Scout pack, Scout troop, Venturing crew, Sea Scout ship) your organization operates. Thus, your organization may have one or more charters from Scouting America for one or more Scouting units. This charter authorizes your organization to make use of the Scouting program as a part of its total program, under leadership your organization has selected, for all youth who want to join and who satisfy joining criteria. The charter for each unit must be renewed annually.

THE UNITS BELONG TO YOUR ORGANIZATION

Your organization conducts the Scouting program through its charter from Scouting America, and the Scouting units and their leaders belong to your organization and are part of its "family." It is most important that this relationship be understood. The Scouting America local council exists only to support your organization and to help it be successful.

YOUR ORGANIZATION'S ROLE IN THE COUNCIL

Your Scouting America local council is itself chartered by Scouting America to promote and administer the Scouting program in a prescribed area, and the council has the following two purposes:

1. To provide the services and structure each chartered organization needs to operate successful units
2. To extend the use of Scouting to other organizations and help them create a sufficient number of Scouting units so that the program is available to every youth who wants it

There are some services your organization needs that it cannot supply itself. One of these is training in Scouting leadership, especially for the adult volunteer unit leaders, giving them the information and program resources they need to run successful units.

From time to time, your leaders will need expert, on-the-scene help, advice, and guidance on problems that may develop or on projects that may be undertaken, and Scouting



America can provide this support. Units need help with advancement opportunities and activities, and Cub Scout packs, Scout troops, Venturing crews, and Sea Scout ships need camping facilities. The council plans a program and sets up a structure to carry out these opportunities and activities.

However, since most councils cover large geographic territory or population or both, the council creates districts which in turn carry out the council program in a segment of the council's geographic area. The people who make up the district committee are volunteer members at large from the community and chartered organization representatives.

The chartered organization agrees to:

- Use Scouting to further the chartered organization's aims and values for youth.
- Conduct the Scouting program consistent with Scouting America rules, regulations, and policies. They may be found at www.scouting.org.
- Be represented in the local council and the local Scouting district by a chartered organization representative, who will be appointed by the chartered organization. The chartered organization representative will be the point of contact between the chartered organization and the local council; will serve as a voting member of district and council committees on which the chartered organization representative serves; and will, with the chartered organization, select and approve volunteer leaders for submission to the local council for its consideration. The chartered organization representative will work with the unit committees sponsored by the chartered organization.
- Support unit committee(s) made up of at least three persons for each unit.
- Assure that adults selected as unit leaders are suitable by, at a minimum, having the appropriate leaders of the chartered organization review and sign each application.
- Ensure appropriate facilities for the unit for its regular meetings to facilitate the aims of the chartered organization and Scouting.
- Encourage adult leaders to receive additional applicable training made available by the council.

The council agrees to:

- Respect the aims and objectives of the chartered organization and assist the chartered organization by making available Scouting resources.



- Make available to the chartered organization and its units and members program training, program resources, and other Scouting support services.
- Make available training and support for the chartered organization and for the chartered organization representative, the primary link between the chartered organization, the local council, and Scouting America. Track and require all unit leaders to attend Scouting America's Safeguarding Youth Training.
- Conduct criminal background checks on adult leaders approved by the chartered organization.
- Provide camping opportunities, administrative support, and professional staff to assist the chartered organization in developing a successful Scouting program.
- Provide primary general liability insurance to cover the chartered organization, its board, officers, chartered organization representative, employees, and Scouting members and volunteers for authorized Scouting activities. Indemnify the chartered organization in accordance with the resolutions and policies of the National Executive Board of Scouting America.

FISCAL POLICIES AND PROCEDURES FOR SCOUTING AMERICA UNITS

Disclosure this document is Intended to help with frequently asked questions and should not be used as tax or legal advice.

When a unit is formed and agreement is signed that all assets of the unit generally belong to the charter organization and are managed by the unit.

Tax-Exempt Status?

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 in Scouting America's group exemption. Only local councils and local council trusts are permitted by the IRS. Units are not separately identified on the group exemption. Council Registered Units operate under the local council's tax-exempt status. Local councils derive their tax-exempt status from Scouting America's group exemption and are listed individually.

For tax purposes, local councils are subordinate organizations of Scouting America and covered under Scouting America's group exemption ruling. Though local councils are



separate entities, the exemption ruling extends the same recognition of tax-exempt status to the local councils as to the Scouting America National Council.

State Sales Tax Exemption: Consult your state, as this varies widely.

Unit Banking – Checking Accounts?

Unit funds should be deposited in a checking account requiring two signatures, typically the Treasurer and Committee Chair.

Contact your charter organization for permission to use their EIN and direction on who to list as the responsible party. Alternatively, many councils allow units to deposit funds in custodial accounts (Unit Deposit Accounts “UDA”) at the council service center at no cost to the chartering organization and no interest gain to the council.

PayPal / Venmo?

PayPal may be used to accept unit payments.

The IRS introduced new reporting requirements for payments received for goods and services, lowering the threshold to \$600. Third-party settlement organizations (PayPal, Venmo, etc.) must issue a 1099-K if \$600 or more is received during the tax year.

Charter Organizations with Units using PayPal or Venmo should ensure they are using appropriate EINs and following all policies.

Equipment Insurance?

All equipment should be insured with appropriate liability, casualty, and property coverage. The charter organization may assess a fee to the unit for providing insurance coverage and should regularly inspect all vehicles and trailers in compliance with the Guide to Safe Scouting (www.scouting.org/health-and-safety/gss/).

Dissolution of a Unit?

The unit committee shall apply funds and property to the payment of unit obligations, and Surplus funds should be turned over to the charter organization to be used for Scouting purposes.

Fundraising?

Unit Money-Earning Applications: Approval must be given by the charter organization and the council for all unit fundraising. (<https://filestore.scouting.org/filestore/pdf/34427.pdf>)



Soliciting Gifts: Because gifts to units are generally not tax-deductible, units should not solicit gifts. Anyone may contribute to a unit, but the donor does not receive a charitable deduction. Gifts made to charter organizations cannot be passed through to the unit.

Scout Accounts: Scouts may credit a reasonable amount of funds earned toward their Scouting expenses, and take with them with express permission from the chartering organization when changing units. Scouts cannot use funds earned for non-Scouting purposes and cannot take the money with them if they leave Scouting.