

FISCAL POLICIES AND PROCEDURES FOR BSA UNITS

Frequently Asked Questions

Should our unit have a checking account?

Yes – Unit funds should be deposited in a checking account that requires two signatures.

Does a unit need its own tax identification number? If so, where do we get it?

The answer depends on the chartered organization. Most units obtain their own tax ID number by completing IRS Form SS-4. (www.irs.gov) Contact your chartered organization for permission.

Who is responsible for the finances of the unit?

The unit committee is responsible, but the assets belong to the chartered organization.

Should our unit consider insuring our unit equipment?

Yes. Remember, the chartered organization owns the assets.

Can our unit deposit funds with the local council?

Yes - most councils allow units to deposit funds to their credit in the council service center.

What happens to the unit funds and equipment should the unit dissolve?

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 chartered organization or the council.

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

For all unit fund raising. Approval must be given by the chartered organization and the council.

Is our unit considered tax-exempt by the IRS?

Chartered organizations vary widely, but the tax status of your unit is usually the same as that of your chartered organization if the chartered organization includes the unit in its tax-status.

Can our unit 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.

Can our unit be exempt from state sales taxes?

Check with your own state – this varies widely across the country.

A volunteer suggested that our unit apply for its own tax-exempt status. Can we?

Units should not incorporate or apply for their own tax-exempt status. Units are not legal entities.

We can't solicit gifts for our unit?

No. Simply put, units are not permitted to solicit any gifts.

Does that mean people can't make gifts to our unit?

Anyone can contribute, but the donor would not receive a charitable deduction.

Can gifts go to the local council to benefit our unit, then "pass through" to the unit?

No – your unit "belongs" to your chartering organization, not to your local council.

Can my unit credit amounts from fundraising to an individual toward their expenses?

Expenses must be reasonable and related to Scouting for youth to "earn their own way."

Revised: November 2019 BSA Legal Department – This is not tax or legal advice.