

Planning Your “Ideal Year of Cub Scouting” Program Budget

A Cub Scout Pack’s Annual Budget Plan

What is the “ideal year of Cub Scouting” plan? It is implementing the elements of a complete annual Cub Scouting program for youth, committing as a pack to incorporate these elements, and then providing adequate funding for them. Even more, it is committing to implementing the plan with the entire pack: Cub Scouts, leaders, and families, by raising enough dollars to fund the “ideal year of Cub Scouting.” The result is a well-managed, well-financed unit.

The steps to an “ideal year of Cub Scouting” are:

1. Plan the pack’s complete annual program.
2. Develop a budget that includes enough income to achieve the program.
3. Identify all sources of income (den dues and any traditional pack activities), and then determine the amount of product sale and the sales goal per youth member that will be needed to reach the income goal.
4. Gain commitments from parents, leaders, and all Cub Scouts.

If you like to raise money every month, plan your program as you go, limit your activities based on the unit’s income, or not involve the youth members in the planning process, then this format might not be for you! Those leaders who want a meaningful, exciting, and comprehensive youth program that achieves the objectives of Cub Scouting will find this format the ideal way to go.

BASIC EXPENSES

1] Registration Fees. When a boy joins, normally the unit asks him to pay the full \$10 national registration fee* regardless of the number of months remaining in the unit’s charter year. The unit sends to the council the prorated amount for those remaining months.

Note that fees are figured on a monthly basis:

1 month 85¢; 2 months \$1.70; 3 months \$2.55; 4 months \$3.40; 5 months \$4.25; 6 months \$5.10; 7 months \$5.95; 8 months \$6.80; 9 months \$7.65; 10 months \$8.50; 11 months \$9.35; 12 months \$10.

The balance of the boy’s fee is kept in the unit treasury to supplement his dues in paying the next full year’s fee. This procedure ensures prompt registration at charter renewal.

2] Unit Charter Fee. Packs are required to pay an annual charter fee of \$20. This fee is submitted with the pack’s annual charter application and helps to defray the expenses for their general liability insurance.

3] Boys’ Life. *Boys’ Life* magazine, the official publication of the Boy Scouts of America, is available to all members at \$12, which is half the newsstand rate. (Prorated fees are available for youth who join a unit during the year.) Every boy should subscribe to *Boys’ Life* because of the quality reading and the articles related to your unit’s monthly program. It is part of a boy’s growth in Scouting, and research proves he will stay in longer and advance farther if he reads *Boys’ Life*.

4] Unit Accident Insurance. Protecting leaders and parents from financial hardship due to high medical bills from an unfortunate accident is a must for all involved in Scouting. Specific details on insurance programs are available from the local council.

5] Advancement and Recognition. Every Cub Scout should earn and advance a rank and receive the patch for that rank each year. Active Webelos Scouts will earn multiple activity badges in addition to their rank advancements. The Cub Scout advancement program has many elements that include Arrow Points, immediate recognition patches, outdoor awards, and Academics and Sports belt loops and pins.

6] Activities. Critical to the successful “ideal year of Cub Scouting” is a complete program. Traditionally, such activities as Cub Scout pinewood derbies®, field trips, and district or council activities are financed by the boy and his family over and above the dues programs. It is suggested that the complete cost of these outings be built into the unit’s budget.

7] Cub Scout Day Camp, Cub Scout Resident Camp, Family Camping. Central to a complete Cub Scouting year are summer camping experiences. Local council opportunities abound for Cub Scouts and their families to have exciting, program-rich summer experiences.

8] Program Materials. Each pack needs to provide certain program materials. Depending on the type of unit program, these could include den meeting supplies, Den Meeting in a Box kits, craft tools and supplies, U.S. flag, pack and den flags, camping equipment, videos and books, or ceremonial props. (Note: Packs may not hold title to property. Only chartered organizations or the local council legally can own property.)

9] Training Expenses. Trained leaders are key to delivering a quality and safe program. Adult and youth leader training should be considered an integral annual pack expense.

* The same rate applies for registered adult Scouters.



10] Full Uniforms. Traditionally, the individual pays for the uniform. We suggest that these expenses become part of the total cost of the Scouting year. Using “individual youth accounts,” units can determine a fund-raising goal for new Scouts who need uniforms, etc. The full Cub Scouting program includes the full uniform!

11] Reserve Fund. The reserve fund might be established by a gift or loan from the chartered organization, by members of the committee, or by a unit money-earning project. The reserve fund should be intended for unexpected expenses. A new member’s initial expenses may be met from the fund.

12] Other Expenses. These could include a gift to the World Friendship Fund, meeting refreshments, and/or contingency funds.

SOURCES OF INCOME

“One fund-raiser per year” is a central theme of the “ideal year of Cub Scouting.” Rather than nickel-and-dime families every week, it is better to figure the total cost for the complete year up front. Ideally, all income would come from den dues and one fund-raising program at the beginning of the program year each fall. A spring fund-raiser could be included, but with the proceeds dedicated to each youth member’s individual camping account.

Some Important Points:

Paying your own way. This is a fundamental principle of the Boy Scouts of America. It is one of the reasons why no solicitations (requests for contributions from individuals or the community) are permitted by Cub Scout packs. Young people in Scouting are taught early on that if they want something in life, they need to earn it. This principle is among the reasons that adults who were Scouts are found to

have higher incomes. The finance plan of any pack should include participation by a Cub Scout in a regular dues plan.

An annual pack participation fee, too often completely contributed by parents, does little to teach a boy responsibility. The unit’s entire budget must be provided for by the families, either through fundraising or other means such as dues or fees.

Individual youth accounts. Packs using this method have traditionally had stronger programs with less turnover of youth (Cub Scouts are retained). Individual Cub Scout accounts, whereby the pack keeps track of how much a Cub Scout or his family has raised toward his “ideal year of Cub Scouting” goal, are critical to the success of this program. When individual Cub Scouts are credited for their efforts, they develop a sense of personal responsibility and participation.

Except for council-sponsored product sales, all other money-earning projects require the submission of the Unit Money-Earning Application, No. 34427, to the local council. To ensure conformity with all Scouting standards on money earning, leaders should be familiar with the eight guides listed on the back of the application, on the last page of this planning guide, and in the financial record books.

OTHER HELPS

Additional information concerning pack budget plans, the treasurer’s job, camp savings, forms, and records can be found in the *Pack Record Book*, No. 33819, and the *Cub Scout Leader Book*, No. 33221. It is recommended that Cub Scout packs use one of the commercial software programs developed for Scouting units. These tools are great for keeping track of individual youth accounts. They are usually advertised in the back of *Scouting* magazine.

“Ideal Year of Cub Scouting” Budget Worksheet

To develop the pack budget, complete the worksheet with the unit leader and committee at the pack’s annual program planning conference, and then share it with the Cub Scouts’ parents. Be sure to keep parents involved and informed. The pack’s program calendar and budget information needs to be communicated regularly to families, especially at the start of the program year. By sharing the pack’s program plans and budgetary needs, you can help newly recruited Cub Scouts and their parents gain a greater understanding of just what fun is waiting for them during the pack’s entire program year.

Do's & Don'ts of Unit Fund-Raising

The most important aspects of unit fund-raising are for each boy to feel a responsibility to assist in raising the money and also for him to be successful in doing so. To that end, the National Council has created a number of policies that specifically state what units should consider when organizing their fund-raising plans.

Acceptable Fund-Raising Policies

1. Units can participate in fund-raising service projects such as car washes, bake sales, recycled product collection, pancake breakfasts, and selling tickets to a council show.
2. Units may sell commercial products as long as the price of the product reflects its fair market value. Those commercial products must not be sold by Scouts wearing BSA uniforms.
3. Units (Scouts) can sell products in BSA uniform as long as the sales efforts are designated as "council-wide product sales." The council's annual popcorn sale would be a good example.
4. Units (Scouts) may secure sponsors for council and district activities as long as they are approved by the council executive board.
5. Units may conduct money-earning projects (including obtaining equipment) only when projects have been approved by the chartering organization and the local council.
6. A unit money-earning application must be completed by the unit committee and submitted to the local council 21 days prior to the fund-raiser.

Unacceptable Fund-Raising Policies

1. Any fund-raising project that involves games of chance, lotteries, raffles, bingo, or any other form of gambling is not permitted.
2. Any fund-raising projects that are in the nature of pyramid sales or multi-level marketing are not permitted.
3. Solicitation of funds from local businesses or door-to-door solicitation is not permitted. Units cannot ask for money in the name of the Boy Scouts.
4. Fund-raising in the name of the Boy Scouts in support of other organizations is not permitted. Example: A pack or troop may not ring the bell for the Salvation Army's fund-raising campaign.
5. Units may not sign contracts directly involving or obligating the National Council, Boy Scouts of America.
6. Units may not enter into a contract or business relationship that uses any logo, insignia, common usage terms, or descriptive marks relating to Scouting.
7. Units may not directly or indirectly endorse any commercial product.

GUIDES TO UNIT MONEY-EARNING PROJECTS

A unit's money-earning methods should reflect Scouting's basic values. Whenever your unit is planning a money-earning project, this checklist can serve as your guide. If your answer is "Yes" to all the questions that follow, it is likely the project conforms to Scouting's standards and will be approved.

1. *Do you really need a fund-raising project?*

There should be a real need for raising money based on your unit's program. Units should not engage in money-earning projects merely because someone has offered an attractive plan. Remember that individual youth members are expected to earn their own way. The need should be beyond normal budget items covered by dues.

2. *If any contracts are to be signed, will they be signed by an individual, without reference to the Boy Scouts of America and without binding the local council, the Boy Scouts of America, or the chartered organization?*

Before any person in your unit signs a contract, he must make sure the venture is legitimate and worthy. If a contract is signed, s/he is personally responsible. S/he may not sign on behalf of the local council or the Boy Scouts of America, nor may s/he bind the chartered organization without its written authorization. If you are not sure, check with your district executive for help.

3. *Will your fund-raiser prevent promoters from trading on the name and goodwill of the Boy Scouts of America?*

Because of Scouting's good reputation, customers rarely question the quality or price of a product. The nationwide network of Scouting units must not become a beehive of commercial interest.

4. *Will the fund-raising activity uphold the good name of the BSA? Does it avoid games of chance, gambling, etc.?*

Selling raffle tickets or other games of chance is a direct violation of the BSA Rules and Regulations, which forbid gambling. The product must not detract from the ideals and principles of the BSA.

5. *If a commercial product is to be sold, will it be sold on its own merits and without reference to the needs of Scouting?*

All commercial products must sell on their own merits, not the benefit received by the Boy Scouts. The principle of value received is critical in choosing what to sell.

6. *If a commercial product is to be sold, will the fund-raising activity comply with BSA policy on wearing the uniform?*

The official uniform is intended to be worn primarily for use in connection with Scouting activities. However, council executive boards may approve use of the uniform for any fund-raising activity. Typically, council popcorn sales or Scout show ticket sales are approved uniform fund-raisers.

7. *Will the fund-raising project avoid soliciting money or gifts?*

The BSA Rules and Regulations state, "Youth members shall not be permitted to serve as solicitors of money for their chartered organizations, for the local council, or in support of other organizations. Adult and youth members shall not be permitted to serve as solicitors of money in support of personal or unit participation in local, national, or international events."

For example: Boy Scouts/Cub Scouts and leaders should not identify themselves as Boy Scouts/Cub Scouts or as a troop/pack participate in The Salvation Army's Christmas Bell Ringing program. This would be raising money for another organization. **At no time are units permitted to solicit contributions for unit programs.**

8. *Does the fund-raising activity avoid competition with other units, your chartered organization, your local council, and the United Way?*

Check with your chartered organization representative and your district executive to make certain that your chartered organization and the council agree on the dates and type of fund-raiser.

The local council is responsible for upholding the Charter and By-laws and the Rules and Regulations of the BSA. To ensure compliance, all unit fund-raisers MUST OBTAIN WRITTEN APPROVAL from the local council NO LESS THAN 14 DAYS before the fund-raising activity.



UNIT MONEY-EARNING APPLICATION

Applications are not required for council-coordinated money-earning projects such as popcorn sales or Scout show ticket sales.

Please submit this application to your council service center at least two weeks in advance of the proposed date of your money-earning project. Read the 10 guides on the other side of this form. They will help you in answering the questions below.

Pack
 Troop No. _____ Chartered Organization _____

Team
 Crew
Community _____ 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? _____ How will this money be used? _____

Does your chartered organization give full approval for this plan? _____

What are the proposed dates? _____

Are tickets or a product to be sold? Please specify. _____

Will your members be in uniform while carrying out this project? (See items 3-6 on other side.) _____

Have you checked with neighboring units to avoid any overlapping of territory while working? _____

Is your product or service in direct conflict with that offered by local merchants? _____

Are any contracts to be signed? _____ If so, by whom? _____

Give details. _____

Is your unit on the budget plan? _____ How much are the dues? _____

How much does your unit have in its treasury? _____

Signed _____ Signed _____
(Chartered Organization Representative) (Unit Leader)

Signed _____ Signed _____
(Chairman, Unit Committee) (Address of Chairman)

FOR USE OF DISTRICT OR COUNCIL FINANCE COMMITTEE: Telephone _____

Approved by _____ Date _____

Approved subject to the following conditions _____



FISCAL POLICIES AND PROCEDURES FOR BSA UNITS

Frequently Asked Questions

Should our unit have a checking or savings account?

Yes – Unit funds should be deposited in a checking or savings account that requires two signatures on every check or withdrawal. The unit leader could be one of the signees but it is recommended it be a committee person. It could be that the unit leaders have a petty cash fund (the limit set by the committee), which is accounted for with receipts each month.

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

All units need a tax ID number (also referred to as an “EIN” – Employer Identification Number). Units should NOT use the Social Security number of an adult leader. If they do, the IRS will attribute all banking transactions, unit purchases, etc. to that leader as an individual. Units may use the tax ID number of their chartering organization, if given permission. This may be especially useful for the unit if that organization is tax-exempt.

Most units obtain their own tax ID number by completing IRS Form SS-4. There is no cost involved. The current form and instructions are available on the IRS website – www.irs.gov. Also, the IRS now allows you to provide the information over the phone and immediately receive a unit EIN. The IRS “tax ID hotline” is 800. 829. 4933.

Who is responsible for the finances of the unit?

The unit committee is responsible for the units’ finances. A treasurer is assigned and the committee chairperson should receive the bank statement to reconcile monthly. All unit funds should pass through the bank account; this includes but is not limited to dues, money from unit fundraisers, product sales, and gifts. An exception might be registration fees which are collected as part of an organized School Night program. In this case, fees are collected by district/council representatives and are transmitted to the Scout service center.

Should our unit consider insuring our unit equipment?

Yes – it is suggested that your unit insure its equipment. Remember, the chartered organization owns the unit, and all funds used by the unit remain the responsibility of the chartered organization as long as the charter issued by the BSA remains in place. It is recommended that an inventory be given annually to the chartered partner of the unit’s equipment.

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, thus making it convenient for units to make purchases without sending cash. A “unit account” is established for each unit that deposits funds with the council. At a minimum - at least annually the council should provide a detailed statement of activities of your unit account for your unit to review.

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

In the event of the dissolution of a unit or the revocation or lapse of its charter, 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 local council. In the case of a chartered organization, any funds or equipment which may have been secured as property of the unit shall be held in trust by the chartering organization or the council, as may be agreed upon, pending reorganization of the unit or for the promotion of the program of the Boy Scouts of America.

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

For all unit fund raising – All unit money-earning projects must be approved in advance by using BSA's Unit Money-Earning Application. Approval must be made by the chartered organization and the local council.

Is our pack or troop considered tax-exempt by the IRS?

That depends on who sponsors your pack, troop, or unit. The only time a unit can be considered "tax-exempt" is if its sponsoring organization is also tax-exempt.

The BSA National Council grants a charter to religious organizations, service clubs, businesses, and others who want to sponsor a Scout unit. A unit is actually "owned" by its chartered organization. Chartered organizations vary widely in tax status, but the tax status of your unit is the same as that of your chartering partner.

What is the IRS Form 990-N and does our unit need to file annually with the IRS a electronic postcard 990-N?

In 2008 the IRS introduced a new, abbreviated filing for small tax-exempt organizations with annual gross receipt of less than \$25,000: Form 990-N. The BSA national office consulted with the IRS and outside counsel, if this new filing requirement applies to Cub Scout packs, Boy Scout troops, Venturing crews, and other units. In their opinion, most Scout units do not have to file the new Form 990-N. **For most units, no filing is required.**

The only exception is for the very small number of units that have filed for separate, federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Those units must file either Form 990-N (if their annual gross receipts were less than \$25,000) or the more detailed Form 990 or 990EZ (if annual gross receipts were \$25,000 or more).

Can our pack or troop 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 group exemption. Packs, troops, and other Scout units cannot be included under the BSA group exemption because they "belong" to their chartered organization. (Note: tax issues for Girl Scout troops are handled differently by the IRS because of how their cookie sales are structured).

IRS Form SS-4 asks us for a "GEN." What is that – and do we have one?

The "GEN" is the Group Exemption Number for the BSA. As discussed, only councils are covered under the BSA group exemption. Units cannot use this number. However, once your unit receives an EIN, the unit may still qualify for a number of state and sales tax exemptions as a non-profit organization under your state laws. 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. For one thing, units are not legal entities. Even if they were, this is an expensive and time-consuming process. But units are only permitted to raise funds through approved unit money-earning projects. Units could lose their charter if they tried to get their own tax-exempt status and solicit tax deductible gifts.

[We can't solicit gifts for our unit?](#)

No. Simply put, units are not permitted to solicit any gifts. Both the Charter and Bylaws and the Rules and Regulations of the BSA make this very clear – only local councils may solicit individuals, corporations, United Ways, or foundations for gifts in support of Scouting. Units, unit leaders, and youth members may not solicit gifts in the name of Scouting or in support of unit needs and activities (except in unusual circumstances where the unit has received permission to do so from the local council). Units are also prohibited from soliciting gifts on their websites.

[Does that mean people can't make gifts to our troop?](#)

Units are not supposed to solicit gifts, but they can receive gifts. Anyone can contribute to a Scout pack, troop, or unit – and many donors don't need or care about charitable deductions. Obviously, defining a "solicited gift" is not always easy. But we rely on our unit leaders to set good examples and honor the intent and spirit of these important guidelines. We know it's hard to stop people from being generous, especially towards Scouting.

[Can gifts go to the local council to benefit our unit. then "pass through" the council to us?](#)

No – your unit "belongs" to your chartering organization, not to your local council. IRS guidelines prohibit any charity from accepting gifts that are "passed through" to a person or unrelated entity.

[My local company has employee volunteerism grants and they will contribute to charities where I volunteer my time. Can these gifts go to our unit?](#)

Employee incentive awards and volunteerism grants usually can NOT go to a pack, troop, or unit, due to the company's giving restrictions. Corporate donations often can only go to charities that are "501(c)(3) charities," and many units are not chartered by tax-exempt charities. Also, many companies won't make gifts to religious organizations. If a unit is "tax-exempt," it's often because it's chartered to a church, synagogue, etc. – so they couldn't receive corporate funds either. Of course, corporate awards and grants may go to any local council.

Questions? Need more information? Please contact your local council.
Thank you for all you do for Scouting and the youth in your community.