

Unit Money Earning FAQ

BUDGETS

Q Is there a recommended process for budget building?

A Yes, make a list of expenses and assign a cost to each item. Use last year's expenses as a 'go by.'

- Awards, advancement and recognitions you need,
- Trips you want to take, entry fees,
- Registration fees, Boys' Life magazine, insurance
- Handbooks, neckerchiefs, unit numerals?
- Financial assistance?
- Training fees for youth and adults
- Program material?
- Equipment replacement

Itemize your costs and add the total. It is often helpful to view expenses in terms of cost / youth member.

With a good idea of expenses facing you, begin to strategize on how your unit will meet costs through dues and money earning opportunities. The Sam Houston Area Council offers 3 excellent projects annually.

Additional Considerations:

- Maintain dues at a level so each youth member can learn to pay their way without becoming punitive
- Incorporating registration fees into the budget helps make the rechartering process much easier.
- Consider establishing a PLAY or PAY rule to promote participation in money earning efforts.
- Keep a reserve fund of 15-30% of your annual budget for emergencies

MONEY EARNING PROJECTS

Q What projects does the Sam Houston Area Council offer for unit money earning?

A The council offers three projects annually to help units to raise the necessary funds.

1. Scout Fair Ticket Sales kickoff in February.
 - Participating units earn 40% sales commissions

- Scouts earn prizes and recognition
- No need to file a Unit Money Earning Application
- Uniform can be worn by participants
- Quality product, excellent value and repeat sales
- No unit risk
- No Sales Tax consequences.

2. Popcorn Sales kickoff in September

- Units earn up to 30% sales commissions
- Scouts earn prizes and recognition
- No need to file a Unit Money Earning Application
- Uniform can be worn by participants
- Quality products, excellent value and repeat sales
- No unit risk – order what you sell
- No Sales Tax consequences

3. Scout Fair Ad Sales kickoff in November

- Units earn 25% commissions
- No need to file a Unit Money Earning Application
- Ads appear in the Scout Fair Souvenir Program book
- Quality product, excellent value and repeat sales
- No unit risk
- No Sales Tax consequences

Q Can a unit elect to earn money in ways other than listed above?

A Yes, units can apply to raise funds using a Unit Money Earning Application form. An online version of the Unit Money Earning Application is available at

<https://samhoustonbsa.org/HOME/FORMS/UNITMONEY-EARNINGONLIN/> Prompt approval is rendered via email.

Q Are signatures required for the online Unit Money Earning Application form?

A No, however council grants approval with the understanding that Chartered Partner and Unit Committee approval is secured.

Q Is there a paper Unit Money Earning Application form?

A Yes, this form is available from the council resource center or you may download the form by directing your browser to

<https://samhoustonbsa.org/Home/Forms/MoneyEarningPermit/Unit%20Money-Earning%20Permit.PDF> and printing a copy to mail or fax.

Q Why is this Unit Money Earning Application important?

A Remember when mom said "*because I said so*" ... it is our policy, but here are some of the reasons why it is in place:

- Call referral of potential customers
- Problem solving
- Health & Safety
- Guide units in making good decisions
- Save units from possible heartache
- Insure that units are not binding the Boy Scouts of America or the Sam Houston Area Council in contractual agreement

Q Which units must complete a Unit Money Earning Application form?

A Any unit engaging in non-council money earning efforts with the sale of goods or services must file.

Q Does the Sam Houston Area Council offer financial assistance for Boy Scout summer camp?

A Camperships enable Scouts to have a summer camp experience who, because financial needs, could not otherwise attend. Limited financial assistance is available on an individual basis for those Boy Scouts and Varsity Scout who cannot attend Summer Camp without this help.

Units should submit individual applications through their District Scout Executive. Campership funds are administered by the Council Camping Committee. It is the practice of the Council that the Scout earns at least a portion of his camp fee and that the family pays according to their means. Campership funds cover the balance.

Campership applications are available on the website.

www.samhoustonbsa.org

Note: Council camperships are for Sam Houston Area Council camps only.

Q Does our unit have to pay State Sales Tax on purchases made solely for the use of our unit?

A Most purchases made exclusively for unit usage can be claimed to be exempt from state sales tax. Use the State Sales Tax Exemption Certification. This works for most merchants but not all, e.g. You will not be able to use this form at a Sam's Club unless the membership is set up in the name of your unit. If you find retailers demanding

something additional than the Tax Exemption Certification, you may want to secure a tax letter from the State Comptroller.

Q How does our unit secure a Tax Letter?

A Address correspondence to the State Comptroller requesting a tax letter. The tax letter provides a tax number that will be assigned to your unit. This number can be shared along with the Tax Exemption Certification form for those merchants demanding greater proof. You will want to send a copy of your charter and most recent roster of youth and leaders to the state along with your letter to properly validate your request.

Q Does our Unit have to collect and pay Sales tax related to product sales?

A The State of Texas allows 2 / 24 hour sales periods exempt from sales tax. The state realizes this and allows longer sales to count as one of the 24 hour exempt sales periods.

Q Is our unit a charitable organization?

A No. Chartered partners are often charitable, but units are not automatically subordinated to share the same status.

Q Can a unit form a 501(c)(3) corporation?

A Yes, it is possible to establish a non-profit corporation but there are a number of reasons why this is ill-advised.

- Attorneys required to form and to dissolve
- Does not legally enhance your unit's ability to raise more money
- Filing late has consequences\$
- If corporate officers move away they are still responsible to the IRS for the corporation.

Q Is it all right if our unit solicits companies, foundations or individuals?

A No. Read through Unit Money Earning Guidelines. There is no provision for this kind of solicitation.

Q Does our unit qualify for Randalls or Kroger Share Cards?

A No. the precept of money earning in the unit is about teaching boys to earn their way. Grocery cards or other performance program cards are a great promotional tool for business, but do not teach youth

about the value of money or enable them to take pride in earning their way.

Q How can Eagle Scouts raise money to fund their project?

A Eagle projects cannot be a fundraiser, but Eagle candidates may earn money in order to secure materials to be used for a project. Eagle candidates should work with the organization they are rendering service and ask what funds are available for the project. If candidates opt to solicit they will need to use the tax id number from the organization they perform service for.

Q How do I open a unit checking account?

A Every unit will eventually need to have a checking account. Sometimes this gets confusing for units because the bank demands a federal tax number. Banks also will ask for other things like articles of incorporation, tax letter, bylaws, etc. This does not apply to you, but the employee may not be aware. Use contact information below to secure necessary validation (unit roster and a charter) to open the account.

Note: You would not want to use your social security number for this purpose because all financial transactions are attributed to the individual unit leader providing his or her Social Security number. This obviously could pose problems!

There are two approaches to securing the EIN number. One would be through your chartered partner, the other would be by filing for the EIN via the IRS. Sounds odious, but its not really too bad. Instructions are mapped out on the council website: <http://samhoustonbsa.org/Home/DistrictSites/UnitResources/CheckingAccountInstruc/>

Additionally, if you require assistance call 713-756-3318 or email moneymatters@shac.org

Q Can we use our EIN for purposes other than checking account identification? No.