

Guidelines for Individual Scout Accounts

Many units promote fundraising events by sharing fundraising profits with unit members. This is accomplished most often by allocating some profits to “Individual Scout Accounts”.

This past year, following an IRS determination, the National Office advised that personal profit from fundraising projects may cause a number of tax issues for your unit, and ultimately your sponsoring organization. Although there is not guarantee, if you choose to use Scout Accounts, the following guidelines should help units avoid tax trouble with the IRS:

Scout Account Guidelines

1. Fundraising is seen by the IRS as benefiting the entire Scouting program, not an individual Scout.
2. However, using a Scout Account to hold some fundraising profits can be an acceptable tool to help a Scout earn his own way in the Scouting program.
3. A Scout Account should not be used for the purchase of personal items like uniforms, hiking boots, backpacks, personal tents, sleeping gear, etc.
4. A Scout Account is considered an asset of the unit; it is not the Scout's money.
5. A Scout Account can be used to pay for a Scout's membership fees, dues, summer camp, weekend camping trips, activities, jamborees, eagle projects, courts of honor, etc.
6. A Scout Account should never be cashed out and given back to the Scout or his family. When a Scout leaves the unit, the monies should remain with the unit, transferred to a sibling, or transferred to another Scouting unit. If the unit's financial records show that the Scout or his family made some deposits into the Scout Account, those deposits may be returned.

Questions about these guidelines should be directed to your Unit Commissioner, District Commissioner or District Chairman.