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FINANCING THE PACK

Who Pays for Scouting?

Money for the Scouting movement comes from four general sources:

1. **The boy and his family** pay for the uniform, insignia, annual membership fee to the national organization, subscription to *Boys' Life* magazine (which is part of the pack budget plan), the boy's handbook, and weekly dues to cover ongoing expenses. Some packs furnish the handbooks as part of the pack budget plan. Families can also help Scouting by participating in the council's annual Friends of Scouting (FOS) campaign (see 11-5).
2. **The chartered organization** selects pack leadership and provides an adequate pack meeting place along with its maintenance and utilities. The organization may also determine some funding practices for the pack.
3. **The pack** maintains itself through its budget plan and money-earning projects. The boys' weekly dues are the primary source of funds for the pack budget.
4. **The community** contributes money and support, providing funds that enable local councils to service and guide chartered organizations and their units. In some communities, operating income comes through local United Ways or community appeals. In addition, many parents and friends of Scouting make an extra financial contribution to the Friends of Scouting (FOS) campaign. Funds are also made available by special bequests and other contributions.

Each boy and leader pays the national registration fee each year. This money helps fund the national organization and is not part of pack or council operating expenses.

THE PACK BUDGET PLAN

Cub Scouts need to develop an appreciation for money and how to earn, spend, share, and save it responsibly. The pack budget plan offers many practical suggestions for leaders to guide Cub Scouts in this important matter, and it lets families know exactly what benefits they are receiving from the dues they pay.

The budget plan teaches boys to earn their own way, to save for immediate needs, and to appreciate the value of money. Even though it might seem easier for a pack to collect a yearly fee from each pack family at the beginning of the year, this practice is discouraged because it defeats the real purpose of the budget plan.

The objectives of the budget plan are to teach boys how to handle money and to help them accept financial responsibility.

Who Is Responsible? Planning the pack budget is the responsibility of the pack committee, with the help of other pack leaders and families. The unit commissioner can also help develop the pack budget.

When? The budget is planned at a monthly pack leaders' meeting. It is best to plan the budget after the annual pack program planning conference.

What? The following decisions need to be made when planning the pack budget:

- What are our program plans for the coming year and what will these activities cost?
- What should our budget include?
- How much should weekly dues be? How much can we expect each boy to earn, save, and pay each week?
- Do we need a money-earning project to supplement the income from weekly dues?

How? After the pack leaders and committee members have developed the budget, they present it to pack families at a special business session of the pack meeting for a frank discussion and final approval. Emphasize each boy's personal responsibility in making the plan a success by the regular payment of his share of the dues. After final approval, the pack treasurer becomes responsible for carrying out the budget plan with the help of other leaders.

SUGGESTED BUDGET ITEMS

The following budget items are recommended; however, the pack may agree on others. Remember that any activities or expenditures not listed in the budget will require a money-earning project. The detailed budget plan and summary for the year may be worked out using "Our Pack Budget" found in the *Pack Record Book* (No. 33819).

1. **Registration.** When a boy joins Cub Scouting, the pack usually asks him to pay the full national registration fee regardless of the number of months remaining in the pack's charter year. The unit sends to the council the pro rata amount for those remaining months. The balance of the boy's fee is kept in the pack treasury to supplement his dues in paying the next full year's fee. This procedure ensures prompt registration at charter renewal time.

1 month — \$0.85	5 months — \$4.25	9 months — \$7.65
2 months — \$1.70	6 months — \$5.10	10 months — \$8.50
3 months — \$2.55	7 months — \$5.95	11 months — \$9.35
4 months — \$3.40	8 months — \$6.80	12 months — \$10.00

2. **Boys' Life Magazine.** This official publication of the Boy Scouts of America is provided to all members at \$12 per year, or half the regular rate. Every boy should subscribe to *Boys' Life* because of the quality reading and the articles related to the unit's monthly program. The magazine is also important to a boy's growth in Scouting, and research shows that he will stay in Scouting longer and advance farther if he reads *Boys' Life*.

If the reserve funds will allow, a new boy joining during the charter year should be signed up for *Boys' Life* on a pro rata basis. When reserve funds do not pay for the subscription, then the boy or his parents may be asked for the amount.

3. **Unit Accident Insurance.** Each pack should be covered by unit accident insurance to help meet the costs of medical care if accidents occur. (See Chapter 13, "Health and Safety.")
4. **Reserve Fund.** The reserve fund might be established by a gift or loan from the chartered organization or by a unit money-earning project. The reserve fund should meet unexpected expenses that occur before dues are collected or other money is earned. A new member's initial expenses may be met from the fund. A small portion of each boy's basic expenses is budgeted to maintain this fund. If the reserve fund falls below this amount, it should be restored through a money-earning project or other means.
5. **Other Basic Expenses.** These basic expenses include insignia of membership and rank for each boy to ensure prompt recognition as well as literature required by pack adult and boy leaders. Because service to others is fundamental in Scouting, the budget should include a goodwill project, a Good Turn, or a gift to the World Friendship Fund (see page 11-5).
6. **Program Materials.** Each pack needs to provide a certain amount of program materials. For example, it should have a U.S. flag, pack flag, and equipment and supplies for its regular program.
7. **Activities.** The size of the budgeted amount for activities depends on the pack program. Usually, activities such as Cub Scout pinewood derbies are financed by the boy and his family over and above the dues program. Also, refreshments at parties or parents' meetings can be homemade or met by a donation jar or "kitty" at the event. Regular unit funds should not be used for this purpose.

BUDGET WORKSHEET

To develop your pack budget, complete the worksheets below and then present them to the pack committee for their adoption. Be sure to keep families informed.

EXPECTED INCOME FOR THE YEAR	
Number of meetings	_____
Total dues each meeting	\$ _____
Annual dues per member (dues × number of meetings)	\$ _____
Average membership in a year	\$ _____
Total dues per year (annual dues × average membership)	\$ _____
Other income	_____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total other income	_____
Total budgeted income (total dues + total other income)	\$ _____
BUDGETED EXPENSES FOR THE YEAR	
A. Registration	\$10.00
Boys' Life	12.00
Accident insurance for youth members and Tiger Cub adult partners	.74
Reserve fund	_____
Other basic expenses (badges, literature, goodwill)	\$ _____
Total for boy	\$ _____
B. Average yearly membership	\$ _____
C. Total basic expenses (A × B)	\$ _____
D. Program materials	\$ _____
E. Activities	\$ _____
Total budgeted expenses (C + D + E)	\$ _____

COLLECTING DEN DUES

Once the budget plan is put into operation, every effort should be made to collect dues regularly. Den leaders are responsible for following through on this plan. A careful explanation to families as to how the dues are being spent will help emphasize the importance of their paying dues regularly.

Boys should be encouraged to earn the money for their weekly dues. Paying dues regularly is not easy, but it helps develop character in each boy. It gives him experience with handling money, teaches him financial responsibility, and gives him a positive attitude toward earning his own way. Families should be urged to find ways that boys can do small things around the house or neighborhood to earn money for the dues.

The following procedure may be used to collect den dues:

1. The pack treasurer gives a Monthly Den Dues Envelope to each den leader at the monthly pack leaders' meeting.
2. Den leaders collect the dues from the boys at each weekly den meeting. They put the money in the envelope and mark the names and amounts on the outside. They also mark the amount paid on the Individual Cub Scout Record, Tiger Cub Den Record, Cub Scout Den Record or Webelos Den Record (see pages 34-29, 34-19, and 34-21). The dues envelope is sealed and given to the pack treasurer at the pack leaders' meeting.
3. The treasurer opens the envelope in the presence of the den leader or other pack leader and returns the tear-off receipt from each envelope showing the total amount received.
4. The pack treasurer makes the appropriate entries in the financial section of the *Pack Record Book* from the information on the envelopes.
5. The treasurer deposits the money in the pack's bank account.
6. The empty dues envelopes can be given to the Cubmaster, pack secretary, or a committee member so that the dues record in the *Pack Record Book* can be completed.

If a boy falls behind in his dues, adult leaders should find out why. It might be necessary to help provide a solution, such as individual work projects.

HANDLING THE MONEY

Pack Bank Account. The pack's bank account is the responsibility of the pack treasurer, who makes deposits and pays all bills. The treasurer approves all budget expenditures and checks all disbursements against budget allowances. Larger amounts should not be spent without pack committee approval. Bills should be paid by check and countersigned by any two of the following: Cubmaster, committee chair, secretary, or treasurer.

Petty Cash Fund. Most packs provide a petty cash fund for each den as well as for the Cubmaster. This money is used for making small cash purchases such as insignia and craft materials. When the den leader or Cubmaster has spent the amount, receipted bills are turned in to the treasurer, and another small amount of petty cash is issued. This procedure saves time and money.

Ownership of Assets. The unit committee is the custodian of all unit funds, with supervision and advisement from the chartered organization and local council.

FINANCIAL RECORDS

The Monthly Den Dues Envelope is a handy means for the den leader to keep track of boys who pay regularly or pay in advance. It is also a reminder of those boys who need to catch up on back dues.

The "Finance Section" of the *Pack Record Book* should be pulled out and maintained by the pack treasurer. This is a complete financial record of income and expenditures and also has information on the pack budget plan and the treasurer's responsibilities.

The treasurer furnishes a brief report at each monthly pack-leaders' meeting on the status of the pack treasury. An annual report that includes information on membership, activities, and finances should be submitted to the chartered organization.

The pack treasurer gives leadership to the den leaders in maintaining a coordinated record-keeping system. The Tiger Cub Den Record, Cub Scout Den Record, Webelos Den Record, and the Individual Cub Scout Records, which are maintained by the den, should reflect the same information as the finance section of the *Pack Record Book*. This method will show at a glance who is current and who is behind in paying dues.

The treasurer should periodically review the finance section with the Cubmaster or pack committee chair, comparing the finance section records against the dues payments recorded in the front part of the *Pack Record Book*.

PACK MONEY-EARNING PROJECTS

Finances for the purchase of den and pack flags or other items or equipment not provided for by the pack budget may be obtained from pack money-earning projects. Before deciding on money-earning projects, the pack should have a clear understanding of BSA rules regarding these matters. See Chapter 8, "Cub Scout Policies," for more guidelines on unit fund-raising and contributions.

The basis of any pack money-earning project should be "value received for money spent." No direct solicitation of funds by boys or adults is permitted.

A pack must follow certain rules when planning a money-earning project:

- Money-earning projects may be conducted only with council approval. **File a Unit Money-Earning Application** (see pages 34-45 and 34-46) with your local council service center to obtain approval.
- Money-earning projects are pack, not den, activities and should be suited to the ages and abilities of the boys. Proper adult supervision must be provided.
- The pack committee and chartered organization must approve all money-earning projects. The project must be implemented because there is a real Scouting need for it, not merely because someone offered an attractive plan. It is best if Cub Scouts can earn their own way.
- Be sure that your plan and date do not interfere with money-earning policies and programs of the chartered organization or local council.
- The plan must be free of gambling, in harmony with local laws, and consistent with the ideals of Scouting. Units should never raise funds through the sale of raffle tickets or chances for "door prizes" or other items.
- The selling of any product must be done on its own merits. The official uniforms are intended primarily for use in connection with the activities of the Scouting movement, but local councils may authorize their use under conditions and for purposes consistent with the principles of Scouting and the Scouting program.
- Tickets for any event other than a Scouting function are sold by boys as individuals, not in uniform. (Tickets can be sold by boys in uniform for Scouting shows, pack shows or dinners, or other Scouting events.)
- People should get their money's worth from any product they purchase, function they attend, or services they receive from your pack. The sale must stand on its own merit so that the buyer is not in any way subsidizing either Scouting or the boy.
- Boys should engage in money-earning projects only in neighborhoods that are safe and familiar, and they should use the buddy system.
- Train boys never to enter the home of a stranger and to know whom to contact in the event of an emergency. Also teach them to observe safe pedestrian practices.
- Activities should be conducted only during daylight hours.
- The territory covered should not infringe on the rights of any other Scouting unit in the same neighborhood. Check to be sure that you aren't covering another pack's or troop's territory.

- Be sure that people who need work or business will not suffer a loss as a result of your money-earning project. You should not sell products or offer services that are in direct conflict with established merchants or workers.
- Your pack's money-earning plan must protect the name and goodwill of the BSA and prevent it from being exploited by promoters of shows, benefits, or sales campaigns.
- If your pack signs any contracts, they must be signed by an individual without reference to the BSA. Contracts must not bind the BSA to any agreement of financial responsibility.

CONTRIBUTIONS AND DONATIONS

Scouting units are not tax-exempt units by virtue of their affiliation with the BSA. The tax-exempt status of an individual Scouting unit depends on the tax-exempt status of the chartered organization. Chartered organizations vary—from schools, religious organizations, civic clubs, neighborhood groups, businesses, industry, and others—and each has a different tax status. Some may be tax-exempt under IRS Code section 501(c)(3), and others may not be.

Contact your local council service center for information on tax-exempt status as it applies in your state.

WORLD FRIENDSHIP FUND



The BSA administers the World Friendship Fund to help Scouting associations around the world. Once a year the BSA asks packs to contribute to this fund. When the pack makes a donation, it receives a special certificate recognizing its support of Scouting around the world.

The contributions are used

- to provide uniforms and equipment for Scouts,
- to furnish literature and training materials,
- to give scholarships to Scout leaders to come to the United States for training.

Participating in the World Friendship Fund can lead to the following benefits:

- It is an opportunity for both boys and adults to be part of a worldwide Good Turn.
- It helps boys and leaders become more aware of the Scouting needs of others.
- It helps Scouting grow in other countries.
- It increases an understanding of the meaning of belonging to the worldwide brotherhood of Scouting.

A free kit of World Friendship Fund materials is available by writing to World Friendship Fund, International Division, S221, Boy Scouts of America, P.O. Box 152079, Irving, TX 75015-2079.

FRIENDS OF SCOUTING (FOS)

Each year the local council establishes a budget to provide unit service, administration, training, outdoor and camping facilities, and quality program activities in the continuing effort to serve more boys. Just as a pack raises funds for pack operation through den dues and money-earning projects, the council raises funds for council operation through the United Way and/or other methods.

Many councils conduct an annual Friends of Scouting (FOS) campaign to provide opportunities for parents, Scouters, and friends of Scouting to financially support the growth of the Scouting program. By enrolling as a Friend of Scouting and supporting your local United Way or community appeal, you can be helpful in providing financial resources for your local council. It is also helpful to explain to parents why the council conducts an FOS campaign.

