

Unit Finance Facts

Businesslike finance management not only assures that your unit will remain solvent and have what it needs when it needs it; it also provides a fine example for your youth members.

A good unit should neither run on the brink of insolvency nor accumulate surpluses. It should neither spend more than it earns nor earn more than it spends. As much harm can be done with one extreme as with the other.

Therefore, unit finances must be budgeted.

A budget is a plan for receiving and spending money. A unit budget is made up a year at a time, usually for the year covered by the unit charter, though it may be based on a calendar or program year.

In developing the budget, expenses for the year must be estimated, and a plan devised for meeting those expenses.

To determine what the unit expenses will be for the year, the unit annual program must be analyzed. Past expenses will serve as a guide for judging amounts needed for each budget category -- one-time expenses -- tents, etc.

In keeping with the principles of Scouting, the program of the unit is paid for by the members with money they earn and save themselves. A unit that operates through the generosity of others and finances itself by the efforts of adults, fails in its responsibility to teach its members self-reliance.

The unit budget plan is an important step in building a quality program for all members in your unit. By following this plan, every member will benefit and you can ensure your unit's financial readiness for program, registration, equipment, etc.

The objective is to have a well-managed, well-financed unit. Recognizing this, the Boy Scouts of America recommends this basic unit budget plan:

Basic Expenses

These are the recommended basic expense items per member for your unit:

Annual National Registration: \$10

Boys' Life (12 issues of program for the home): \$10.80

Reserve fund: \$2

Other basic expenses: \$5.50

(badges, literature, goodwill, etc.)

Total basic expenses: \$26.50

Let's look closer at each of these basic expenses:

The Annual National Registration Fee: When a new member joins, normally the unit asks that member to pay the full \$10 national registration fee regardless of the number of months remaining in the unit's charter year. The unit sends the prorated amount to the council for those remaining months. The balance of the new member'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 time.

Boys' Life: This is the official monthly publication of the Boy Scouts of America and is made available to members for just \$10.80 (effective Sept. 1, 2003) per year, half the regular rate.

Every member should receive Boys' Life for the quality articles directly related to your unit's monthly program. It assists a member's growth in Scouting. Research shows that a member will stay registered and active in Scouting longer and advance further if Boys' Life is part of his Scouting experience. It strengthens family awareness and involvement in Scouting. If reserve funds allow, the new member should be signed up for Boys' Life on a pro-rated basis.

When reserve funds do not pay for the first year, then the member may be asked for the amount. While Boys' Life is not a required part of the national membership fee, your unit will want to ensure --through your annual budget -- that every member gets Boys' Life as an important part of his Scouting experience.

Reserve Fund: The reserve fund might be established by a gift to your unit 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 this fund.

A small portion of each boy's basic expenses are budgeted to maintain this important fund. If the reserve fund falls below this amount, it should be restored through a money earning project or other means.

Other Basic Expenses: These include insignia of membership and rank for each member to ensure proper recognition and literature required by 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.

Other Expenses

Program Materials: Each unit must provide some program materials. For example, it should have a United States flag, unit flags and equipment and supplies for its regular program.

Activities: The size of the budgeted amount for activities depends on the unit program. Usually, such activities as pinewood derbies, hikes, campouts and high adventure trips are financed by the member and his family over and above the dues program.

As a special note, refreshments at meetings can be homemade or met by a cover charge or "kitty" at the event. Regular unit funds should not be used for this purpose.

Sources Of Income

Dues: Most people agree that the habit of regularly meeting financial obligations is desirable. The finance plan of any unit should include participation by the member in a regular dues plan. It is important to understand that this is part of the growth of the member. An annual unit fee -- too often completely contributed by parents -- does little to teach a member responsibility. However, if the member has to set aside a little each week for a desired item such as dues, he learns how to budget his own income.

Paying dues regularly is not easy, but it does help develop character in an individual member. It teaches responsibility and a wholesome attitude toward earning their way.

In some units, boys earn their dues by participating in unit money-earning projects. It is important that such work be credited to the boy personally rather than to the unit as a whole so he will develop responsibility and participation.

Regardless of your dues collection plan, individual dues should cover the basic expenses as shown in the recommended budget. You may also want dues to cover a part of the program and activity budget.

Money-Earning Projects: A well-rounded unit program will require supplement income. This may come from the sale of a product or project involving the talents, participation and efforts of unit members and families. Policies and procedures are found in the financial record books for packs, troops, crews and posts.

Projects require the submission of the Unit Money Earning Application to the local council service center. To ensure conformity with all Scouting standards on money earning, leaders should be familiar with the 10 tips.

Other Helps

Record Keeping And Reporting: The unit financial record books mentioned above are the best way of keeping track of your unit's budget and finances. A finance report should be a regular part of your unit's adult committee meetings.

To develop your unit budget, complete the following worksheet with the unit leader. Have it adopted by the unit committee. (In the case of Boy Scout troops, the patrol leader's council should review the budget and put it in final form prior to study and adoption by the adult troop committee.) Be sure to keep parents informed.

Unit Bank Accounts and Petty Cash:

It is recommended that the unit funds be placed in a checking account with a local bank. The account should require two signatures on each check.

Unit leaders and den leaders, for instance, will need a number of miscellaneous articles for the unit or den from time to time. The unit committee should guard these leaders from the tendency to pay small bills, such as postage, out of their own pocket. A petty cash account in the amount of \$10 or \$20 should be established for these leaders. When they have used most of this fund, they should account for these expenses with receipts and be given a new cash advance.

This procedure eliminates a great deal of wasted motion. Larger bills are paid by the treasurer on recommendation of the unit leader with approval of the unit committee at a regularly scheduled committee meeting.