



We would like to clarify the federal tax status of Boy Scout packs, troops, and other units, in response to questions we have received.

The IRS recognizes the Boy Scouts of America National Council as tax exempt under IRS Section 501 (c)(3). This tax exempt status extends only to BSA local councils and their trust funds. It does not extend to or include Scout packs, troops or other units. Scout units are not considered subordinate organizations of the BSA, they are not included within the BSA group exemption, and they are not entitled to use the BSA's Group Exemption Number ("GEN"). This is an IRS rule.

Units must use the EIN of their chartering organization. If a troop's chartering organization is a church (and tax exempt), the troop could be considered tax exempt only if the church let the troop use the church's EIN, or the troop's EIN was included within the church's group exemption by the church. "Unit" gifts would be tax deductible as gifts to the church, not to Scouting.

While we appreciate all efforts to support Scouting, gifts designated for a specific unit should not go to the Winnebago Council with the expectation that the gifts will pass through the council to the unit. This includes gifts from corporate charitable incentive plans and employee matching grants programs. Company matching programs carry the spirit of intent to support the non-profit for which the volunteer is donating their time. Anyone involved at the unit level is a volunteer of the Boy Scouts of America, and specifically the Winnebago Council. We will be honored to receive your gift and utilize it to benefit all boys within our council, however, we are unable to pass these gifts through to specific units.

Remember also that Article XI of the BSA Charter and Bylaws states that "Contributions shall be solicited in the name of the Boy Scouts of America only through or by the authority of the Corporation and shall be limited to the National Council or chartered local councils...". Similarly, the BSA Rules and Regulations gives each council the power to "control the raising and expenditure of all funds for local Scouting work in their jurisdiction." As such, attempting to incorporate a Scout unit as a separate tax exempt entity is strongly discouraged as a potential conflict with BSA rules and bylaws."

We hope this information is helpful, and thank you for all you do for Scouting.

**Yours in Scouting,**

**The Winnebago Council #173**