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FUNDRAISING POLICIES AND PROCEDURES MANUAL

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Introduction

If there is one consistent theme for fundraising in the Boy Scouts of America, it is that *effective fundraising must be planned and coordinated using sound fundraising principles*. These principles include:

- Building a base for annual support
- Cultivating potential donors for major giving through special events, projects sales, and capital gifts
- Offering donors special planned giving vehicles such as outright gifts, bequests, gift annuities, pooled funds, life insurance gifts, and various types of charitable trusts

Most councils follow such a fundraising plan, and most of their income comes from United Way, Friends of Scouting, fundraising dinners, camping, special events, and direct mail solicitations. Through these traditional sources, councils have developed a stable base of support. To broaden this base, councils have turned to product sales and sponsored events. Most of these events successfully bring additional operating income to councils.

In 1983, the BSA's National Executive Board broadened its finance policies related to council fundraising. The board's intent was to provide councils with ways to *supplement* their basic fundraising programs, *not to provide alternatives* to traditional support. In 2010, a Product Sales and Commercialism Taskforce was convened to review policies. As a result of their work, the National Executive Board took action in 2011 to revise the Bylaws and Rules and Regulations related to fundraising and contributions.

Councils using these fundraising activities must be aware that:

- Local councils must comply with the terms of the BSA Charter, Bylaws, and Rules and Regulations, and with local and state laws. Councils are responsible to conduct, supervise, control, and approve fundraising activities that might involve youth members and/or the sale of products to generate income for councils and units.
- The National Council wants local councils to have autonomy for making decisions related to fundraising methods that are consistent with the principles, standards, policies, and the good name of the Boy Scouts of America.
- These activities are not "easy money." Staff and volunteer time must be valued and weighed against time away from council, district, and unit activities.
- These activities do *not* create a pool of volunteers for long-term development support.

- Volunteers and the general public may participate in these activities *instead of* participating in Friends of Scouting campaigns.
- Council leaders *cannot* abdicate their fundraising responsibilities by allowing the council's budget to be raised on the "backs of youth."

For all these reasons, fundraising projects can have a short-term positive effect on council cash flow, but a long-range negative effect on council budgeting. This publication will help local councils interpret these policies, and will offer guidelines and examples of acceptable promotions and activities.

The Finance Impact Department appreciates the effort of local council staff and volunteers to provide fundraising activities based on safe, ethical, and accepted principles consistent with the Rules and Regulations of the Boy Scouts of America.

Commercialism and Advertising

The Boy Scouts of America has been around for 100 years. The phrases “On my honor,” “duty to God and country,” and our programs based on ethical decision-making and moral values are the foundation on which our great movement was built. Commercial enterprises continue to offer goods and services that seek an association with a movement of more than five million youth. They see profits to be made, especially with such a large number of “salespeople.”

For that reason—and to safeguard the integrity of the BSA—ten guidelines were developed to address commercialism, sales, and promotional policies. They will help you guard against the unlawful use of the name, logos, uniforms, and other symbols that directly represent the good name of the Boy Scouts of America. These guidelines will help your council plan product sales, solicit advertising, and provide a special service to unit leaders and youth members. It is up to you to ensure that these are also consistent with the values and standards of Scouting and your chartered organizations, and that all offered goods and services can stand alone on their own value and reputation.

Ten Guidelines for Commercialism and Advertising

1. Products and/or advertising to be sold and services to be performed must comply with city, county, state, and federal regulations regarding permits, tax laws, environmental concerns, and safety and health issues.
2. A product sale or advertising campaign should be developed by your local council finance committee and then be presented to your executive board for approval.
3. The price of the product, advertising, or service should reflect its fair market value.
4. A local council may *not* enter into any business relationship or contract that uses the BSA logo, insignia, common usage terms, or descriptive marks relating to Scouting unless the relationship or contract conforms to currently accepted procedures and guidelines as established by the National Council, BSA. The contract or relationship must avoid endorsement of any commercial product or venture. The right to permit the use of the BSA’s proprietary indicia relating to commercial products and ventures resides solely with the National Council.
 - a. **What a council can do**—Popcorn or candy sales can be organized with executive board approval. Products must stand on their own merit and prices must be competitive in the marketplace.
 - b. **What a council cannot do**—A council cannot authorize any company to put the BSA name, logo, insignia, etc., on its product, unless permission has been granted by the National Council.

5. The sale of discount or complimentary commercial coupons may be approved by a local council executive board on an annual basis as a fundraising program. The following conditions apply to the conduct of a sale of this nature.
 - a. Cards must be secured from a vendor that has received an appropriate licensing agreement from Supply Group to use marks and logos.
 - b. Messaging on the card should not imply direct benefit to the seller.
 - c. Councils should take particular care to select advertisers on the card that reflect the values of the Boy Scouts of America and ensure that no implied endorsement of the advertiser or “quid pro quo” arrangement is allowed.
6. Advertisers are allowed to “salute” and/or “congratulate” the Boy Scouts, and the BSA logo may be used in this type of advertising, *but not on products*. (This form of advertising is usually used for distinguished citizen award luncheons or dinners, Scout shows, and golf tournaments.)
7. The advertisement of a product for sale based on proposed gift, return, commission, or rebate back to a local council is not permitted.
 - a. Services or programs presented by commercial ventures, corporations, or individuals directed at the BSA membership and offering a discount to customers or to the council are not permitted. Any program that attempts to take advantage of the BSA membership is not permitted.
 - i. Example: A long-distance telephone carrier approaches a local council and encourages it to ask its constituency to switch long-distance carriers in return for a discount to the customer and a “gift” to the BSA local council. This would not be permitted.
8. The local council's executive board may allow the use of uniforms in a council-wide product sale or event. The use of uniformed Scouts in any other advertising of a commercial product or business is not permitted.
9. BSA membership lists (including unit, district, and council registration; financial supporters; and any others associated with Scouting) cannot be used for commercial or any other unauthorized purpose. The names and information on these records are strictly confidential and cannot be sold or shared with the public.
10. The vendor of a commercial product must provide a certificate of commercial liability insurance naming the local council as being additionally insured in the amounts currently recommended by the Risk Management Service of the national office.

Unit Money-Earning Project Guidelines

The unit leadership in chartered organizations may participate in approved fundraising projects, provided BSA Rules and Regulations and guidelines are followed. This will help ensure the quality of the product or service and the safety of all participants, and avoid the commercialization of the BSA. Every unit conducting such an activity must submit a Unit Money-Earning Application (Form No. 34427) for approval by the chartered organization and the local council prior to holding the activity.

Whenever a unit is planning a money-earning project, use this checklist as your guide. If you can answer *yes* to each of the following questions, it's likely that your project will be approved. Reproduce the following checklist and complete it for each proposed project.

Checklist for Project Approval

1. Have your unit committee and chartered organization approved your project, including the dates, location, and timing of the sale? ____ YES ____ NO

There should be a real need for earning money based on your unit's program. We should not engage in special money-earning projects merely because someone has offered us an attractive plan. Individual youth members are expected to earn their own way. The unit's needs should exceed the normal budget items covered by dues.

2. Do your plan and corresponding dates avoid competition with money-raising efforts and policies of other units, your chartered organization, your local council, and the United Way? ____ YES ____ NO

Check with your chartered organization representative to make certain that your chartered organization agrees on the dates. The chartered organization representative also can clear the other dates by calling the council service center.

3. Does your plan comply with local ordinances, avoid any association with gambling, and is it consistent with the ideals and purposes of the Boy Scouts of America? ____ YES ____ NO

Money-raising projects that include the sale of raffle tickets or other "games of chance" violate this policy. This includes any activity where value is not guaranteed by purchasing a ticket. For example, cake *raffles* are not allowed but cake *auctions* are OK.

4. If a commercial product is to be sold, will it be sold on its own merits and without reference to the needs of Scouting, either directly (during a sales presentation) or indirectly? ____ YES ____ NO

Teaching youth members to become self-reliant and earn their own way is an important part of training our youth members. The official uniform is intended to be worn primarily for use in connection with Scouting activities. However, the executive board of the local council may authorize wearing the uniform in connection with council-sponsored product sales programs.

5. If tickets are sold for a function other than a Scouting event, will they be sold by youth members as individuals without depending on the name or goodwill of Scouting to make this sale possible? ____ YES ____ NO

Youth members in uniform in the name of Scouting may sell tickets for such things as pack shows, troop suppers, circuses, expositions, and similar Scouting events.

6. Even if sales are limited to parents and friends, will buyers get their money's worth from any function they attend or goods and services they receive from your unit? ____ YES ____ NO

Again, this is the principle of value received—a sale standing on its own merit—so the recipients are not in any way “subsidizing” either Scouting or the member. Youth members must learn to pay their own way and honestly earn the money to do it. You cannot permit anyone to use the good name of Scouting to sell a product.

7. If a project is planned for a particular area, do you respect the right of other Scouting units in the same neighborhood? ____ YES ____ NO

It is a courtesy to check with neighboring units or the local council service center to coordinate the time of your project and to see that you aren't covering their territory. Your unit commissioner or service team member can help you with this.

8. Is it reasonably certain that people who offer similar goods or services will not be unduly affected as a result of your unit's plan? ____ YES ____ NO

Your unit should neither sell nor offer services that may significantly damage someone's livelihood. If possible, check with the people who could be affected.

9. Will your plan protect the name and good will of the Boy Scouts of America and prevent it from being capitalized on by promoters of shows, benefits, or sales campaigns? YES NO

Because of Scouting's good reputation, customers rarely question the quality or price of a product. Unchecked, a Scouting unit could become much more interested in commercial interests than its true purpose of character building and citizenship training.

10. If any contracts are to be signed by your unit, will they be signed by an individual without reference to the Boy Scouts of America, and in no way appear to bind the local council, the BSA, or the chartered organization to any agreement of financial responsibility? YES NO

Before any person in your unit signs a contract, he or she must make sure the venture is legitimate and worthy. If a contract is signed, he or she is personally responsible. A contract cannot be signed on behalf of the local council or the Boy Scouts of America, nor may an individual bind the chartered organization without its written authorization. If you are not sure, check with your local council service center for help.

Current Policies of the Boy Scouts of America

Contributions

Bylaws of the Boy Scouts of America, Article XI, Section 1, Clause 2: 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, in accordance with these Bylaws and Rules and Regulations of the Corporation. Youth members shall not be permitted to serve as solicitors for charter organizations, for the local council, for the National council, for Corporate Sponsors, or in support of other organizations. Adult members and youth members shall not be permitted to serve as solicitors in support of personal or unit participation in local, national or international events. *(Revised 10/12/2011)*

Article XI, section 1, clauses 3, 4, and 5 shall be renumbered as clauses 4, 5, and 6, respectively, and a new Clause 3 with the heading of *Fundraising* inserted that reads:

Fundraising

Bylaws of the Boy Scouts of America Article XI, Section 1, Clause 3: Youth members may sell products as part of an approved fundraising project if (i) the nature of the product is consistent with the values and purpose of the Corporation; (ii) the value of the product is commensurate with the price at which it is offered; and (iii) it is in accordance with the Bylaws and Rules and Regulations of the Corporation. Furthermore, any product that is sold or offered for sale as a part of an approved fundraising project and bears any emblems, logos, brands, or other designating marks associated with the Boy Scouts of America must be manufactured by a BSA licensee authorized by the Corporation to use such designating marks in that manner on those specific products. No youth member shall engage in such sales of products for more than 12 total weeks during any one 12-month period. *(Added 10/12/2011)*

Advertising

Rules and Regulations of the Boy Scouts of America, Article IX, Section 2, Clause 5:

- (a) Advertisements for placement in Scouting publications and other media, in addition to meeting the standards in general use by publishers of high-grade periodicals and other advertising media, must:
 - (1) Relate to a service or product which could reasonably be foreseen to render some service to the audience of the advertisement, or relate in some way to the purposes of the Boy Scouts of America, and
 - (2) Merit the purchase price of the article or service offered in the advertisement.

- (b) No advertisement will use or display any logo, insignia, terms in common usage, or descriptive marks relating to Scouting without confirming to all currently accepted procedures and guidelines as established by the National Council, Boy Scouts of America. *(Revised 10/12/2011)*

Commercialism

Rules and Regulations of the Boy Scouts of America, Article IX, Section 2, Clause 7:

- (a) No member of the Boy Scouts of America, chartered unit, chartered organization, chartered local council, or any officer or representative of the Boy Scouts of America shall have the right to enter into a contract or relationship of a commercial character directly involving or obligating the National Council, Boy Scouts of America, or that uses the seal, emblems, badges, descriptive and designating marks, or words or phrases associated with or referring to the Boy Scouts of America unless duly authorized by the National Executive Board.
- (b) (1) A local council may not grant permission, whether verbally or in writing, to any third party for the use of any logo, insignia, terms in common usage, or descriptive marks relating to Scouting unless that third party is at that time authorized in writing by the National Council to use the designating marks in the manner requested by the local council. Any use of a Boy Scouts of America designating mark by a local council must avoid appearing to be an endorsement of any commercial product or venture except for Corporate Sponsorships entered into by the National Council, Boy Scouts of America.
- (2) No member of the Boy Scouts of America, chartered unit, or chartered organization shall have the right to use any logo, insignia, terms in common usage, or descriptive marks relating to Scouting for any commercial purpose, without the express written authorization of the National Council to use the designating marks in the manner requested.
- (c) Subject to these Rules and Regulations and the Bylaws of the Boy Scouts of America, chartered organizations, unit leaders, or youth members shall not be restricted from earning money to participate in Scouting, provided that all approved procedures for doing so are followed, including prior approval by the governing local council. *(Revised 10/12/2011)*

Use of the Uniform

Rules and Regulations of the Boy Scouts of America, Article X, Section 4, Clause 6:

The official uniforms are intended primarily for use in connection with Scouting activities as defined by the National Executive Board and their use may be approved by local council executive board for council events or activities under conditions consistent with the Rules and Regulations of the Boy Scouts of America.

Gambling

Rules and Regulations of the Boy Scouts of America, Article XI, Section 1, Clause 1:
(e) Gambling. Any fundraising project designated to benefit chartered organization units, districts, local council, or on a national basis which involves games of chance, lotteries, sale of raffle tickets, bingo, or could be construed as a gambling activity, is not permitted.

Local Council Control

Rules and Regulations of the Boy Scouts of America, Article XI, Section 1, Clause 1:
(c) Local Council Control. Subject to the general rules and regulations adopted by the National Council or Executive Board, local councils shall control the raising and expenditure of all funds for local Scouting work in their jurisdiction.

Unit Money-Earning Projects

Rules and Regulations of the Boy Scouts of America, Article IX, Section 2, Clause 3:
Units may conduct money-earning projects only when the projects have been approved by the chartered organization and the local council and are consistent with the principles set forth in these Rules and Regulations.

Pyramid Sales

Rules and Regulations of the Boy Scouts of America, Article XI, Section 1, Clause 1:
(h) Pyramid Sales, Multilevel Marketing. Any fundraising projects on a unit, council, or national basis which are in the nature of pyramid sales or multilevel marketing are not permitted.

Product Sales

Rules and Regulations of the Boy Scouts of America, Article XI, Section 1, Clause 1:
(f) The National Council will not engage in a product sale at the national level.

Scouting Public Display Activities

Rules and Regulations of the Boy Scouts of America, Article IX, Section 2, Clause 4:
Local councils may approve the sale of tickets for the public display of Scouting activities, such as merit badge shows, circuses, rallies, and demonstrations, when (a) the nature of the program or function offers a value commensurate with the purchasing price of tickets offered for sale, (b) the sale of tickets is not used as an indirect method of defeating the purpose of article IX, section 2, clause 7, of these Rules and Regulations, and (c) the participation of youth members in the sale of tickets for such affairs is confined to their parents and friends and does involve methods similar to those used in the sale of tags or other general solicitation.

Raising Funds

Bylaws of the Boy Scouts of America, Article X, Section 1, Clause 1: *All money raised by or received for the benefit of the corporation or a unit under its jurisdiction and all property acquired by the corporation or such a unit shall be deemed to be received or acquired for the benefit of Scouting as interpreted and promoted by the Boy Scouts of America, in accordance with the Rules and Regulations and procedures from time to time adopted by the Boy Scouts of America.*

Bylaws of the Boy Scouts of America, Article X, Section 1, Clause 2: *Subject to the Rules and Regulations of the Boy Scouts of America, the corporation shall control the raising and expenditure of all funds for local Scouting work within the territory of the corporation. The necessary expenses of the corporation shall be met by funds secured by solicitation or otherwise in accordance with the Rules and Regulations of the Boy Scouts of America pertaining to the raising of funds for Scouting purposes.*

Bylaws of the Boy Scouts of America, Article X, Section 1, Clause 3: *Neither the Corporation nor any unit under its jurisdiction shall have any authority to bind the Boy Scouts of America to any financial obligation whatever.*

APPENDIX

Appendix A—Council Product Sales Recognition and Critique Meeting Agenda

Participants: *Council, district, and zone volunteer leaders and professional staff members*

Responsible: *Council Chairman and Scout executive*

Purpose: *Recognition, evaluation, and critique of all aspects of the product sale program, to include plus (+) and minus (-) review of the total program.*

Suggested Agenda

<u>Time</u>	<u>Item</u>	<u>Responsible</u>
5 min.	Opening ceremony	<i>Recognition committee and staff</i>
20 min.	Recognition of all key volunteers (during meal)	<i>Council Chairman</i>
20 min.	Critique meetings	<i>Committee Chairman</i>

(Hold separate meetings to review and discuss success and problems of the major elements of the program)

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Council plan and support ▪ Public relations and communication ▪ Ordering, warehousing, distribution, and delivery ▪ Recognition plan and incentives ▪ District plan and support ▪ Organization | <p><i>Council Chairman</i></p> <p><i>Committee Chairman</i></p> <p><i>Committee Chairman</i></p> <p><i>Committee Chairman</i></p> <p><i>District Chairmen</i></p> |
|---|---|

Units' reaction—why they did or did not participate

Effectiveness of: **District kickoff**

Recognition

Timetable

Time of sale, etc.

30 min. Reports from the critique groups and discussion to develop suggestions for improvement	<i>Committee Chairman</i>
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5 min. Closing remarks	<i>Council Chairman</i>
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Adjournment (All reports are to be in written form for compiling and are to be redistributed to key leadership within 10 days of this meeting.)

Appendix B—Typical Council Product Sales Timetable

BY DATE	DATE	ITEM/EVENT OR ACTIVITY	RESPONSIBLE
-120 to 150 days	_____	Executive board approval	Scout executive
-120 days	_____	Chairman recruited	Assigned staff member
		Contracts signed	Scout executive
		Training/organization and orientation of staff members and key volunteers	Key staff members and volunteer Chairman
110 days	_____	Promotion teams recruited and publicity secured	Council volunteer Chairman
		District Chairman recruited	Council volunteer Chairman
		Begin internal publicity in council newsletter, etc.	Publicity Chairman
-100 days	_____	Training meeting for district sales Chairman	Council volunteer Chairman
		Identify target areas	Council volunteer Chairman
-90 days	_____	News releases and announcements to media	Publicity Chairman
		Announcements to all units and commitment cards	District Chairmen
		District personnel recruited	District Chairmen
-75 days	_____	All units contacted for participation; roundtable announcements	District Chairmen
-60 days	_____	District/unit sales training and organization meeting	District Chairmen
-45 days	_____	Units select Chairmen for unit sales	District Chairmen
-35 days	_____	District sales orientation training, meeting for all units, and assignments	District Chairmen
-25 days	_____	Special media kits/packets delivered	Publicity Chairman
-14 days	_____	Media coverage begins	Publicity committee
		Follow up with unit participation and orders to be placed	District and zone Chairmen
-5 days	_____	Kickoff meetings in districts and selected communities	District Chairmen
0 day	_____	Sales start	
0 to 15 days	_____	Units and youth members take orders	Unit Chairmen
+15 to 17 days	_____	Units collect all orders from youth members	Zone Chairmen
+17 to 18 days	_____	All orders from units mailed or collected to be mailed or taken to the council service center	Unit and zone Chairmen
+18 to 20 days	_____	Intensive follow-up to units to complete orders	District and zone Chairmen
+20 days	_____	Council order placed	Scout executive
		Delivery locations determined and assignments made	District Chairmen
+30 to 32 days	_____	Product delivered to specific locations	Product vendor
+32 days	_____	Units receive products and receipts written for all transactions	District zone Chairmen
+32 to 40 days	_____	Units and youth members deliver and collect for product	Unit leaders
+45 days	_____	Units complete all reports and send them and money to council	Unit leaders

BY DATE	DATE	ITEM/EVENT OR ACTIVITY	RESPONSIBLE
+46 days	_____	Follow up on tardy units	Zone Chairmen
+46 to 50 days	_____	Follow up and collect from tardy units	Zone Chairmen
+50 days	_____	Final payments to vendor from council	Scout executive
+60 days	_____	Recognition and critique meeting	Council Chairman



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