

BOY SCOUTING AND TAXES

This document describes the types of expenses a *Boy Scout Adult Leader* can and cannot deduct for tax purposes under the current U.S. tax laws. These expenses can be deducted under Charitable Contributions on Schedule A, Form 1040. The information contained here, although specifically oriented toward Boy Scout Adult Leaders, also applies to work for other nonprofit charitable organizations that are recognized by the U.S. government, especially those oriented toward youth.

GENERAL GUIDELINES

If you are a Boy Scout Adult Leader, you are allowed a charitable tax deduction for your non-reimbursed, out-of-pocket expenses that are directly connected to the performance of your services to the organization as a Boy Scout Adult Leader. There are a few exceptions to this general guideline that are pointed out later. For more information, go to <http://www.irs.gov/pub/irs-pdf/p526.pdf>, IRS Publication 526.

PRIVATE TRANSPORTATION

The miles you drive for Boy Scout events (troop meetings, committee meetings, campouts, service projects, training sessions, etc.) can be deducted. To find the current mileage rate, see Schedule A (Form 1040).

- The cost for trips for obtaining materials, buying food, turning in paperwork, etc. for Boy Scouting events is also deductible.
- A trip for performing your duties as a Boy Scout Adult Leader can be combined with another activity. However, you may only deduct that portion of the trip that is related to Boy Scouting. For example, if you drive six miles to the Boy Scout service center to drop off paperwork and an extra two to visit a friend, you may only deduct six of the eight miles.
- Also, be aware that if the trip involves travel that you would have had to do anyway, the extra portion is not deductible. For example, assume your house is between where you work and where your Boy Scout meetings are held; if you take your uniform with you to work in the morning and go directly from work to a Boy Scout meeting in the evening, then home afterward, you can only deduct the round-trip mileage from your home and the Boy Scout meeting place, not the extra miles from work. If you went back to work before going home, you could deduct the round trip from work.
- Your records should show the place, date, mileage, and activity. Odometer readings are not required but can be recorded if you so choose.
- If your actual expenses are more than the current mileage rate per mile, you may deduct the actual expenses for gas, oil, windshield washer fluid, etc.
- Your records must show the actual amount spent. You may also deduct parking fees and tolls paid for a Boy Scout event in addition to the current mileage rate per mile or actual expenses.
- The cost for repairs and general maintenance for your vehicle is not deductible even if your vehicle was damaged while performing service as a Boy Scout leader.
- You also cannot deduct any portion of the insurance, license fee or depreciation, even if the vehicle is only used for Boy Scout activities.

PUBLIC TRANSPORTATION

Travel expenses for Boy Scout trips away from home may be deducted if you are a leader supervising youth in a genuine and substantial sense.

- This includes costs for train fare, bus fare, airfare, taxi fare, airport shuttle, rental cars, etc. The IRS rules say that such costs can be deducted as long as "there is no significant element of personal pleasure, recreation, or vacation in such travel."
- The rules do not define what a significant element is. However, their examples lead you to believe that you must be on duty at least half the time. If you are one of the Boy Scout Adult Leaders required by Safety-Wise standards for an event, you are on duty for the entire event. If you are not one of the required Boy Scout Adult Leaders but still perform in an official capacity (driver, chaperone, etc.) for the majority of the time of an event, you are also covered.
- Having fun on a Boy Scout trip does not disqualify you from deducting the cost of the trip. What matters is that you must serve in a true Boy Scout Adult Leadership capacity.
- If you simply attend an event as an observer, or as a non-required adult, and do not have a significant part in organization, program, or responsibility for youth, your costs are not deductible.
- If you combine a personal vacation with a Boy Scout trip where you are not with the Boy Scouts for a period of time before, after, or during the main part of the trip, it is very likely that part or all of the costs for the trip will not be allowed as a charitable deduction because you were not serving as a leader during this time.

MEALS

Reasonable costs for your meals are deductible if they are in connection with a Boy Scout trip away from home.

- This includes the cost of food for campouts, restaurant meals, snacks, sodas, etc.
- For meals to be deductible, the trip must include an overnight stay away from home.
- Please note that, unlike expenses for business meals, the cost for meals at Boy Scouting events away from home are 100% deductible for Boy Scout Adult Leaders in an official Boy Scout capacity for duration of the trip.
- Costs for meals for an activity that does not involve an overnight stay are not deductible.

MONEY-EARNING & FUNDRAISING EVENTS

The cost for pancake breakfasts, spaghetti dinners, golf outings, fashion shows and other such events can only be deducted if you purchase a ticket as a donation and return the ticket for resale. If you attend, and the cost is more than what a similar meal/activity would cost elsewhere, you can deduct the difference; otherwise, you cannot deduct it.

BANQUETS, DINNERS, ETC.

The costs for recognition banquets, dinners, etc. are, in general, not deductible.

- However, if the event is for raising money, the amount you pay above the normal cost for the meal is deductible. Also, if a set percentage of the cost is allocated to a general fund to support Boy Scouting, or is allocated for other costs that are deductible, this portion is deductible.

CEREMONIES

The costs of items that you provide for ceremonies (Court of Honors, etc.) are deductible.

- This includes awards, decorations, candles, and other such items as long as you have not received reimbursement for the expenses.

ACCOMMODATIONS

The cost you pay for a motel room, camping fee, or other accommodation fee while serving as a Boy Scout Adult Leader in an official capacity (coordinator, driver, chaperone, program consultant, National delegate, etc.) on a Boy Scout trip is deductible.

MEMBERSHIP DUES

If you pay your yearly registration dues yourself, it is deductible.

ADMISSION FEES

Your fees for admission to parks, museums, art galleries, exhibitions, and other similar cultural/educational activities that you visit as the leader of a Boy Scouting event are deductible.

- Your costs for athletic events, movies, and other forms of entertainment are not deductible even if you take Boy Scouts to these events.

TIPS FOR SERVICE

Tips you give to waiters, guides, porters, bus drivers, bellboys, maids, and other service personnel while serving as a Boy Scout Adult Leader on a Boy Scout trip are deductible.

INTERNATIONAL TRAVEL

If you are an officially designated leader for an international Boy Scout trip, the costs for required travel documents, immunizations, entry fees, exit fees, and other similar ancillary costs required for the trip, are deductible.

TRAINING COSTS

In general, the costs for training to better perform your duties as a leader are deductible.

- This includes the fees for basic leadership training, first aid courses, camp certification, Boy Scout conferences, etc.
- The course fees, transportation and normal living expenses (room and board) associated with the course are also deductible.
- Please note that you should be able to show how the course will help you in performing your duties as a Boy Scout leader. If you cannot show this, the expenses could easily be challenged. You should

also be aware that if you combine vacation with such a trip that some, or all, of the expenses (except for the course fee) might not be deductible.

COMMUNICATIONS

The cost for long distance phone calls, cellular phone calls, faxes, postage, printing, envelopes, thank-you notes, and other communications expenses directly related to the performance of your duties as a Boy Scout Adult Leader are deductible.

- You cannot deduct any portion of the base rate you pay for basic telephone service, even if your phone is mostly used for Boy Scout activities.

FACILITIES

Your fees for showers, pool use, boat docking, and other such facilities are deductible if they are part of a Boy Scout event.

SUPPLIES

The cost of materials and supplies you purchase for activities in Boy Scouts and do not receive reimbursement (craft supplies, camping equipment, cooking supplies, etc.) is deductible, as is the transportation needed to purchase such items.

FIRST AID SUPPLIES

The cost for first aid supplies bought in preparation for a Boy Scout trip is deductible.

- The cost for medical services and supplies you receive for an injury that you suffer on a Boy Scout trip is not deductible under charitable contributions. This must go under normal medical expenses.

PHOTOGRAPHY

The cost for photographs, slides, video film, audiotapes and CDs that you use in the performance of your duties as a Boy Scout Adult Leader for the publicity and documentation of Boy Scouting events is deductible.

- This includes material bought for showing at Boy Scout meetings, poster displays, newspaper articles, etc. The cost for these same items is not deductible if bought for your personal use and enjoyment. These items must be used in your capacity as a Boy Scout Adult Leader to be deductible.

UNIFORMS

The costs for uniforms, patches, insignia, name tags, and other uniform parts are fully deductible provided that they are not of general utility or wear.

- The cost of upkeep, e.g., washing, dries cleaning, etc. is also deductible.
- The costs for uniforms, patches, pins, insignia, etc. that are bought for collection or trading are not deductible. However, if such items are later donated to a Boy Scout museum or similar non-profit group, their fair market value at the time of donation may be deducted.

INSTRUCTION

Instructional materials (books, charts, maps, etc.) that you purchase for use in the education of Boy Scouts are deductible.

- Fees for instructional courses taken to better qualify you as a Boy Scout leader, or to prepare you for activities that you will be doing with the Boy Scouts, are deductible. Examples include kayaking, rock climbing, sewing, Leave No Trace certification, public speaking, etc.

PREPARATORY MATERIALS

Background materials that you purchase for and use in instruction and preparation for a Boy Scout activity (e.g., books on the ecology of Cape May, NJ in preparation for a trip to the bird sanctuary there or language books and tapes for a Boy Scouting trip to a foreign country) are deductible.

- These same items are not deductible if you buy them for your personal use. You must be using them to provide service to youth for them to be deductible.

COMPUTER-RELATED EXPENSES

If you publish a troop newsletter or use a computer in other ways in the performance of your duties as a Boy Scout leader, you will probably have some computer-related expenses that are deductible.

- These would include the cost of paper, toner, ribbons, labels, Boy Scout related software, etc. If the computer is used for other purposes, some of these expenses will have to be prorated. If you are going to do this, you must keep records that substantiated how you have prorated the costs.
- If you use an on-line service in the performance of your duties as a Boy Scout leader; for example, to plan trips away from home, to obtain resource material, to obtain advice on Boy Scouting related problems, you may deduct that portion of the fees for this service that you use in the performance of your Boy Scout duties.
- Remember, if you plan to deduct such expenses, you will need to keep records that can substantiate your Boy Scout usage of such a service. A daily logbook of time and usage would suffice.

PURCHASES AT MONEY-EARNING EVENTS

If you purchase goods that are sold at a money-earning event, you may only deduct the difference between what you paid for the item and its fair market value. For example, if you purchase a candy bar for \$1.00 and it is normally sold in stores for 50¢, you may deduct 50¢ as a donation. You may deduct this amount even if you buy the candy bar for someone else.

- If you have your car washed at a money-earning event, you can only deduct the amount above what the fair market value of a car wash is in your area.
- Raffle tickets are not approved for Boy Scout money-earning events. They are also not deductible.

DONATION OF PROPERTY

The donation of property, stocks, and other similar items given to a Boy Scout organization can usually be deducted at their fair market value. Check with IRS Publication 526 and your tax advisor.

- Used equipment that is donated to a Boy Scout organization is deductible at its fair market value at the time of donation.
- New equipment that is bought for a Boy Scouting organization is deductible at its purchase price if it is donated shortly after purchase and has not been used personally.

USE OF PROPERTY

If you let Boy Scouts use your property (boat, car, pool, trailer, motor home, vacation home, office building, etc.), you may deduct the actual out-of-pocket operating expenses (fuel, utilities, etc.) associated with this use.

- You cannot deduct the estimated rental value for the use of the property. You also cannot deduct any loss in value due to damage that may happen because of its use; at least, you cannot deduct it under Charitable Contributions.

DONATION OF FOOD

Donations of food for a Boy Scout sponsored food drive can be deducted for what the food costs at a grocery store. If you make a special trip to purchase the food, the mileage for the trip is also deducted.

PARTIALLY REIMBURSED EXPENSES

If you are partially reimbursed for expenses you incur as a Boy Scout leader, you may deduct the difference between the cost you paid and the amount you are reimbursed. If you received more than the actual cost, this is income.

YOUTH EXPENSES

The expenses you pay for Boy Scouts that are family members are not deductible. Expenses you pay for Boy Scouts who are not family members are deductible if you pay this money to your Boy Scout organization and these Boy Scouts are selected by your Boy Scout organization to receive assistance. (An example of this would be a donation to our council's Boy Scout Financial Assistance Fund.) Expenses you pay for other adults to provide service are not deductible.

PERSONAL SERVICES

You cannot deduct the value of your personal time contributed to Boy Scout activities, even if you would normally be paid for the service you are giving.

CHILD CARE

You cannot deduct childcare expenses as a charitable contribution even if such service is necessary for you to do your volunteer work.

RECORD KEEPING

A reliable written record is required for IRS purposes. To be reliable, you must make the record at or near the time of the activity; or, you must have other proof of your participation in the activity. A marked up calendar with places, activities, mileage, etc. will suffice for records; but a more organized record would be better. A troop calendar with annotations is also acceptable.

RECEIPTS

Make it a practice to keep receipts for all Boy Scouting related expenses, even if they are only for a few dollars. Put them in an envelope for Boy Scout deductions and keep them with your other tax records.

- If you have large out-of-pocket expenses, e.g., for transportation to a Boy Scouting event that is not directly paid to the Boy Scouting organization, you definitely need to keep the receipts for your travel. You should also have documentation from the Boy Scout organization that substantiates that you were serving in a leadership capacity for the trip.

REQUIRED STATEMENTS

If you make a contribution to the Boy Scout organization that is for \$250 or more, you definitely need a statement from the organization that verifies your contribution.

- Also, if your out-of-pocket expenses exceed \$250, the IRS rules require that you have a statement from the Boy Scout organization you are serving for that substantiates your role as a leader.
- This statement must include a description of the services you provided and a statement indicating if you received any goods or services in return for your out-of-pocket expenses.
- If you received goods or services, the value of the goods and services must be stated in the document. For tax purposes, you must have this statement before you file the tax return in which you claim the deduction.
- If you are a troop leader, the statement should be from your unit or sponsoring organization.
- If you are a leader for a council activity (e.g., the leader for an international travel group), the supporting statement should be from the council.
- If you are a leader for a nationally sponsored activity, the statement should be from the national office. It is also wise to keep your registration card for a past year with your tax records for that year.

PAYMENTS THAT CROSS YEARS

If you are a leader in an event that crosses over tax years (such as an international jamboree), or if you pay fees this year for an event that will happen next year, you need to claim the expenses in the year that they are paid.

- Payments made by a bank credit card, debit card, or electronic transfers are deductible in the year you make the transaction.
- Payment for goods or services billed to you by a merchant, telephone company, etc. is deductible in the year you pay the bill.

ASSISTING ADULTS

A troop is never run by just one person. There are normally many assisting adults. These include assistant leaders and registered members of the Troop Committee. These adults can also deduct expenses they incur in the performance of their duties.

PARENT/GUARDIAN SUPPORT

If you are a parent of a Boy Scout that is included in the troop that you give service to, you should be aware that, in some circumstances, the IRS has determined that such a parent was involved only to make sure that the program was available to their child. If such a determination is made, most or all of what would otherwise be a deductible charitable expense could be disallowed.

- If audited, you should be prepared to show how your service is of benefit to *not just your son, but also other youth and the group as a whole*.
- If you make a donation directly to your troop, make sure you have records that substantiate that it is a donation and that you and your child/children did not directly receive any benefit from it.
- Event participation fees paid to a troop are not donations. When paying event fees to a troop, it is best to pay your fees (which can be deducted) separately from those for your youth (which are not deductible).
- If you make one payment, make sure it is clearly written how much is for you and how much is for your children. Such documentation is commonly required if you should ever be audited.

IF YOU ARE AUDITED

If you have been honest in what you have claimed as Boy Scouting related deductions and have kept good records that substantiate these deductions, you have nothing to worry about if you are audited. The majority of disallowed charitable deductions are because of inadequate records that cannot be substantiated.

If your auditor should disagree with you on the deductibility of an item you have claimed as a deduction and you believe it is a valid deduction, you have the right to demand an on-the-spot conference with the auditor's superior. It is to your advantage to do this.