

Taxes and Scouting as of January 1998

This paper describes what expenses it is believed a Scout leader can and cannot deduct for tax purposes under the current (1995) U.S. tax laws. These expenses can be deducted under Charitable Contributions on Schedule A, Form 1040. The information contained here, although specifically oriented to Scout leaders, also applies to work for other nonprofit charitable organizations that are recognized by the U.S. government.

General Guidelines

If you are a Scout leader, you are allowed a charitable tax deduction for your non-reimbursed, out-of-pocket expenses that are directly connected with the performance of your services as a Scout leader. There are a few exceptions to this general guideline that are pointed out later. Also be aware that expenses that you pay for your children or for other leaders are not deductible.

Private Transportation

The miles driven for Scout events (Troop / Pack meetings, committee meetings, campouts, service projects, training sessions etc.) can be deducted. The cost for trips for obtaining materials, food, etc., for Scouting events is also deductible.

A trip for performing your duties as a Scout leader can be combined with another activity. However, you may only deduct that portion of the trip that is related to Scouting. For example, if you drive six miles to the Scout office to drop off paperwork and an extra two to visit a friend, you may only deduct six of the eight miles.

Please 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 Scout meetings are held; if you take your uniform with you to work in the morning and go directly from work to a Scout meeting in the evening, then home afterward, you can only deduct the round-trip mileage from your home, not the extra miles from work. If you went back to work before going home, you could deduct the round trip from work.

The current rate for use of your vehicle is 13 cents per mile. 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 13 cents 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 Scout event in addition to the 13 cents 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 Scout leader.

You also cannot deduct any portion of the insurance, license fee or depreciation, even if the vehicle is only used for Scout activities.

Public Transportation

Travel expenses for 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, air fare, 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 is a significant element; however, their examples lead you to believe that you must be on duty at least half the time.

If you are one of the adult leaders required by Scout rules for an event, you are on duty for the entire event. If you are not one of the required leaders but still perform as a leader for the majority of the time of an event, you are also covered.

Having fun on a Scout trip does not disqualify you from deducting the cost of the trip. What matters is that you must serve in a true 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 Scout trip, where you are not with the 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.

Meals

Reasonable costs for your meals are deductible if in connection with a 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 Scouting events away from home are 100% deductible for leaders.

Cost for meals for an activity that does not involve an overnight stay is not deductible.

Pancake Breakfasts, etc.

The cost for pancake breakfasts, spaghetti dinners, and other such fund raisers 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 would cost elsewhere, you can deduct the difference; otherwise, you cannot deduct it.

Banquets, Dinners, etc.

The cost for recognition banquets, dinners, etc. are, in general, not deductible. However, if the event is for fund raising, 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 Scouting, or is allocated for other costs that are deductible, this portion is deductible.

It is not unusual for a council to have a policy that a 10 to 15 percent surcharge be included in the cost of events, which supports the general Scouting movement.

Ceremonies and Courts of Honor

The costs of items that you provide for ceremonies recognizing Scouts and Scouters, such as Courts of Honor, is deductible. This includes awards, decorations, candles, and other such items.

Accommodations

The cost you pay for a motel room, camping fee, or other accommodation fee while on a Scout trip is deductible.

Administrative Fees

If you pay your yearly registration fee yourself, it is deductible. If you have to pay a fee for fingerprinting or any other similar service, this fee is also deductible.

Event Fees

Leaders fees for summer camp, camporees, jamborees, conclaves, Philmont, Sea Base, Woodbadge, Scout conferences, basic leadership training, etc. are 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 Scouting event are deductible.

Your costs for athletic events, movies, and other forms of entertainment are not deductible.

If you pay for underprivileged youth that have been selected by your troop committee to attend these events, the costs you pay for them are deductible.

Tips for Service

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

International Travel

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

Facilities

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

Supplies

The cost of materials used in Scout activities (wood, rope, leather, fuel, water filter elements, 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 Scout trip is deductible.

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

Photography

The cost for photographs, slides, video film, and audio tapes that you use in the performance of your duties as a Scout leader for the publicity and documentation of Scouting events is deductible. This includes material bought for showing at 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 Scout leader to be deductible.

Uniforms

The costs for uniforms, patches, hats, insignia, neckerchiefs, 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, dry cleaning, etc. is also deductible.

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

Patches and other Scouting memorabilia that are sold as fund raisers for Scouting activities are deductible to the extent that the cost exceeds the fair market value of the items purchased.

Instruction

Instructional materials (books, charts, maps, etc.) that you purchase for use in the education of Scouts is deductible. Fees for instructional courses taken to better qualify you as a Scout leader, or to prepare you for activities that you will be doing with your Scout unit, are deductible. Examples include lifesaving, CPR, kayaking, rock climbing, etc.

Preparatory Materials

Background materials that you purchase for and use in instruction and preparation for a Scout activity (e.g., books on the ecology of the Florida Keys in preparation for a trip to the Florida Sea Base, or language books and tapes for a Scouting trip to a foreign country).

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 Scout leader, you will probably have some computer-related deductible expenses. These would include the cost of paper, toner, ribbons, labels, Scout related software, etc.

If the computer is used for other purposes, some of these expenses will have to be prorated.

If you use an on-line-service in the performance of your duties as a Scout leader; for example, to plan trips away from home, to obtain resource material, to obtain advice on Scouting related problems, ... you may deduct that portion of the fees for this service that you use in the performance of your Scout duties.

Remember, if you plan to deduct such expenses, you will need to keep records that can substantiate your Scout usage of such a service.

Purchases at Fund-Raising Events

If you purchase goods that are sold at a fund-raising 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 \$0.60, you may deduct \$0.40 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 fund-raising 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 Scout fund-raising events. They are also not deductible.

Donation of Property

Property, stocks, and other similar items donated to a Scout organization usually can be deducted at their fair market value. Check with IRS Publication 526 and your tax advisor.

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

If you donate property to an individual Scout unit, that unit must be registered as a nonprofit 501(c)(3) organization with the IRS for the donation to be deductible. If the Scout unit is not so registered but its sponsor is, make the donation to the sponsor with the direction that it is for the Scout unit.

Use of Property

If you let 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 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.

Premiums Received

If you make a donation to a Scouting organization and receive a premium of significant value (more than just a thank-you cup), the value of this premium must be deducted from your donation or claimed as income. Some premiums, for example plaques given to Friends of Scouting, are amortized over the number of years for which there are spaces for recognition, thus making them not of significant value for any given year. Most Scouting organizations are aware of this IRS condition and adjust premiums accordingly.

Partially Reimbursed Expenses

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

Youth Expenses

Expenses for Scouts that are family members are not deductible.

Expenses you pay for Scouts who are not family members are deductible if you pay this money to your Scout organization and these Scouts are selected by your Scout organization to receive assistance.

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 Scout activities, even if you would normally be paid for the service you are doing.

Child Care

You cannot deduct child care 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 Scouting related expenses. Put them in an envelope and keep them with your other tax records.

Receipts are needed for all contributions and out-of-pocket expenses that are more than \$250. If you have out-of-pocket expenses that exceed this amount, e.g., for transportation to a Scouting event that is not

directly paid to the Scouting organization, you need to keep the receipts for the travel and have documentation from the Scout organization that you were serving in a leadership capacity for the trip.

Payments that Cross Years

If you are a leader in an event that crosses over tax years, 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 transfer 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.

Parent Leaders

If you are a parent of a Scout that is included in the unit or units 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 other youth and the group as a whole. Examples of this include being a merit badge counselor, being a leader in events that your child is not involved in, helping leaders in other units, etc.

Caveat

The information provided here is believed to be correct and accurate at the time this paper was prepared. However, tax laws and the publications describing them are often vague or incomplete. Because of this, they are open to different interpretations by different people. It is not unusual to receive several different answers to a single tax question if the answer is not explicitly spelled out in the law or supporting publications.

Any charitable deduction you claim is your responsibility. If you have any doubt as to the deductibility of an expense you are thinking of claiming, check with your tax advisor.

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