



**UNITED METHODIST CHURCH
AFFILIATION AGREEMENT WITH BSA
FAQ**

1. Q: Is there an update to the agreement between the United Methodist Church and the BSA?

A: Yes, we have been working in partnership with the United Methodist Church Leadership to establish a new affiliation agreement that enables us to continue our 100 plus year relationship. We are grateful for the efforts of everyone involved who assisted in the development of the new affiliation agreement.

2. Q: What resources are available for local councils to use in support of the UMC transition?

A: Council Operations has developed a toolkit to support councils through this transition period. *The kit includes the following resources:* Click here for [Council Toolkit](#)

- Updated UMC FAQ
- UMC Affiliation Agreement
- Facilities Use Agreement *(pending)*
- Guidelines for Council Registered Units
- Quick Reference Guide for Units
- Board Resolution Designating Council IH for CRUs
- Release/Assumption of Unit Charter
- Fiscal Policies and Procedures for BSA Units 20210513
- Transfer of Unit Funds and Property
- Unit Finance Report Template
- BSA Liability Insurance Information
- Sample Bank Account Letter – Closed
- Sample Bank Account Letter – Open
- Transportation Checklist
- Guidelines for Traditional Charter Organization Units
- Guidelines for Parents of Units- Group of Citizens Units
- Annual Unit Charter Agreement

3. Q: When does the new Affiliation Agreement begin?

A: The BSA and UMC have agreed to a 120-day transition period, effective July 1, 2022. It is important to remember that the registration and General Liability of our volunteers and youth does not expire until your council's renewal time. This extension will allow your local council to meet with local church officials and unit leaders to develop a solution to keep the unit strong and delivering quality Scouting programs.

4. Q: Is there an update to the Facilities Use Agreement (FUA) with the United Methodist Church?

A: Yes, the BSA and UMC teams are reviewing the existing FUA and will have an update in the near future. As soon as it is completed and approved it will be released to the local council Scout Executive.



5. Q: Are the local Methodist Churches required to use the New Affiliation Agreement?

A: The UMC has strongly encouraged all their conferences, congregations, and units to utilize the New Affiliation Agreement moving forward. Councils are encouraged to meet with the local church leadership to determine their next steps.

6. Q: What are the options in addition to the Affiliation Agreement?

A: The local council has four (4) unit options. They are as follows:

- Affiliation Agreement combined with a Council Registered Unit
- New Charter Organization combined with a UMC Facilities Use Agreement
- New Charter Organization
- Parent of/Group of Citizens Charter (*discouraged*)

7. Q: What type of insurance policy does the BSA have in place today to protect Affiliate Organizations and Charter Organization?

A: The BSA provides primary general liability insurance coverage for **all** chartered organizations and affiliate organizations on file with the BSA for liability arising out of an official Scouting activity of a traditional Scouting unit. The BSA insurance coverage is consistent for all affiliate and chartered organizations.

This coverage provides primary general liability coverage for registered volunteer Scouters with respect to claims arising out of official Scouting activities, which are defined in the insurance policy as activities that are consistent with the values, Charter and Bylaws, Rules and Regulations, operations manuals, and applicable literature of the Boy Scouts of America.

This insurance coverage responds to allegations of negligent actions by third parties that result in personal injury or property damage claims and provides protection for Scouting units and chartered/affiliate organizations on a primary basis.

The BSA general liability insurance program provides volunteers, chartered organizations, and affiliate organizations additional excess coverage for automobiles above a local council's automobile liability policy or a volunteer's or chartered/affiliate organization auto or watercraft liability policy. The owner's vehicle or watercraft liability insurance is primary. The excess insurance, whether it is the local council auto or BSA general liability, is available only while to the extent the vehicle or watercraft was in the actual use of a Scouting unit and being used in connection with an official Scouting activity.

The insurance provided to unregistered Scouting volunteers through the general liability insurance program is excess over any other personal insurance the volunteer might carry, usually a homeowners', personal liability, vehicle, or watercraft policy.

The current primary insurance provides \$1M/occurrence, \$10M/aggregate. The first excess policy is \$6.5M/occurrence, \$13M/aggregate. There are additional excess policies in place that provides coverage for Charter Organizations and Affiliation Organizations.

A Certificate of Insurance can be provided by the local council.



8. Q: Does the BSA support local councils creating a separate 501c3 to Charter Units?

A: No, councils may not use a separate entity to charter units. Councils have the sole authority to issue unit charters. This option does not provide any additional protection for the council or unit and may increase regulatory reporting requirements for the council and create additional workload on staff and volunteers.

9. Q: Can a unit create a Non-Profit Corporation or a 501(c)(3) for the purpose of Chartering a unit?

A: No, units are not legal entities and are not authorized to incorporate. Moreover, obtaining an IRS 501(c)(3) designation by a unit puts unit leaders and parents at risk to the extent their actions may violate IRS private benefit rules. Remember the local Council has the sole authority to issue Charters to organizations that reflect our values and align with our mission. Councils should exercise discretion by only issuing Charters to organizations that meet BSA standards.

10. Q: Should the council consider having a Parent Groups/Group of Citizens as a unit chartering option?

A: The Traditional Charter Organization concept is the preferred option to charter units. However, the Council Registered Unit option can also be utilized. While the Parents Group/Group of Citizens has been a long-time option, it is not a preferred option and presents potentially significant financial or tax liabilities to our volunteers. The Parent Group option should be studied carefully by council leadership (Council Key 3, General counsel, Treasurer etc.) to determine if its appropriate for the council. When the assets are transferred from the UMC to the leader, it will become a taxable event. Ultimately, it's up to the unit leaders to decide. Please refer to the Guidelines for Parent Groups in the toolkit.

11. Q: What is the process for Council Registered Units?

A: The BSA has developed guidelines for Council Registered Units as well as resources to transition from a traditional charter organization to a Council Registered Unit in the toolkit.

12. Q: How should unit assets be transferred?

A: Several resources have been created to support councils and units in this process. ***Please refer to the Release/Assumption of Unit Charter and Transfer of Unit Funds and Property documents*** which can be found in the toolkit.

13. Q: How does the council transfer ownership of trailers, camping gear, tents, stoves, and other related equipment?

A: Pursuant to the BSA Rules and Regulations in Section III, all assets should be transferred to the council upon dissolution of the unit. The council should create policies per board action to ensure the safety of the equipment, such as an annual trailer inspection. The council has the option to charge the unit for services such as insurance for the equipment, especially trailers. Equipment inventories may be requested by the council if needed. The unit equipment will stay in possession of the unit to help deliver Scouting to youth.

14. Q: Will Affiliate Agreements require annual renewal?

A: Yes, affiliate agreements and charter agreements are renewed annually at the normal council registration period.



15. Q: Is the membership renewal process the same?

A: Membership renewal for youth and adults is an annual process that is completed online and will need to be completed during the council renewal period.

16. Q: Can an Affiliation Agreement be terminated unilaterally by a Council if the church/unit fails to live up to its responsibilities?

A: Yes, like all unit charters or affiliation agreements these can be terminated by either party.

17. Q: Can we use custodial accounts solely in lieu of a bank account?

A: No, Council Registered Units should follow local council policies for unit bank accounts. Local councils should allow the unit to maintain a separate bank account using the council EIN and following all reporting requirements of the local council. Local councils cannot use custodial accounts for CRUs. BSA will provide a sample Unit Finance Report template that local councils may use to simplify reporting. BSA recommends that all units require at least two signatures for bank account transactions, typically the Treasurer and a member of the Unit Committee. CRUs may not incorporate or seek status as a 501(c)3 tax exempt entity.

18. Q: What is required of the council if they provide units the council EIN?

A: Local councils will need to report unit finances on their 990s and should consult their tax advisors/auditors, with respect to accounting for unit finances. For additional information please refer to the [Local Council Financial Audits website](#).

19. Q: How do we need to account for unit funds and assets on the council balance sheet?

A: At least once annually. Reference the Annual Unit Finance Report in the toolkit.

20. Q: How would the council record unit funds and assets?

A: The council will need to record the unit balances with their year-end statements and include in the 990. Be sure to have a discussion with your state-licensed tax professionals, attorneys, auditors, and audit committee before making any disclosures in your councils IRS Form 990. Please refer to the [Local Council Financial Audits website](#).

21. Q: May councils sign other facilities use agreements?

A: No, local Councils may not enter into any other forms of agreement with a Charter Organization unless approved by the BSA's Legal Department. Please forward all FUA requests to SELegal@Scouting.org.

22. Q: Does the BSA insurance policy cover organizations who provide meeting space for units utilizing facility use agreements?

A: Yes, as with any location that is considered a unit's meeting place or location of an official Scouting activity, the local council can provide a certificate of insurance ("COI") that names the location/organization as an additional insured to be covered under the policy. A COI can be created and provided directly by the local council.



23. Q: Is there a document for chartered organizations to release assets to a new Charter Organization?

A: Yes, the BSA has developed a recommended form for council use to assist in the transfer of unit assets. *Please refer to the [Council Toolkit](#).*