



## **RULES EXTRA – July 31, 2019**

### **TITLE: Commonly asked questions regarding league finances.**

Last week, we provided you information regarding new USBC Rules and about adopting league rules. If you did not receive a copy of the last week's *Rules Extra*, please contact [Rules@bowl.com](mailto:Rules@bowl.com).

This week, we are covering league finances.

Please share *Rules Extra* with your fellow officers and league members.

### **Commonly asked questions regarding league finances.**

#### **Why are USBC rules concerning league funds/prize money so strict?**

Rules for handling league funds are in place to ensure leagues are compliant with the insurance policies that cover league funds.

#### **How are league funds protected by the USBC bonding insurance?**

Leagues officers are automatically covered for \$10,000 should a league officer mishandle/misuse league funds, provided there is a timely league certification application and compliance with all rules for handling funds. A league will be covered for the amount entered on the application if the prize fund is greater than \$10,000. This coverage does not apply to center personnel who misuse or mishandle funds. Full coverage is subject to limitations and compliance with rules for handling league funds.

One week's receipts of no more than \$2,000 of league funds are covered, should funds be taken forcibly from a locked premise or receptacle or should a messenger or officer be held up with a threat of violence. The end-of-season prize funds for this coverage is limited to a withdrawal of \$10,000. Leagues with prize funds greater than \$10,000 should limit a cash withdrawal to \$10,000 and pay the balance in checks. Bowling center personnel are considered messengers and

covered by this portion of the policies of insurance. [Read more about the coverage and limitations.](#)

### **Can league funds be kept in a safe?**

No. The league must have an account with a federally insured or equivalent institution or use in-center banking. The account must be in the name of the league and any withdrawals require two officers' signatures. League funds cannot be deposited in a personal account, the local association account or another league account. Click [In Center Banking Agreement](#) for in-center banking information.

### **Who can sign for withdrawals?**

USBC requires two signatures of officers for withdrawals. Two members of an immediate family cannot serve as president or vice-president and secretary-treasurer or treasurer of the same league or co-sign for withdrawals from a league account, even if they do not reside in the same household. Members of an immediate family include mothers, daughters, sisters, wives, husbands, sons, brothers, fathers, stepsisters, stepbrothers, stepmothers, stepfathers and in-laws. Same-gender spouses are considered immediate family.

### **What if the bank will not enforce two signatures for withdrawals?**

The requirement for two signatures is a USBC rule. A league may open an account with a bank that will not enforce two signatures, but two officers still must sign for all withdrawals. Withdrawals from an in-center banking service also require two signatures.

### **Can deposits be made every two weeks?**

No. League funds must be deposited within seven (7) days of receipt.

### **Can a league account be opened using an officer's social security number?**

No. Using a social security number attaches the account to that individual and not the league. The league must get an Employer Identification Number (EIN) for banking purposes.

### **How is an Employer Identification Number (EIN) obtained?**

An EIN can be obtained through [irs.gov](https://irs.gov). Click [How to get an EIN](#) for step-by-step instructions.

### **Who gets the league account statement?**

The league president, according to Rule 102c, receives the league account statements and verifies the account each month. USBC has created a [President Verification Worksheet](#) to make this job easier. Verifying the league account is not the league audit.

### **Who can handle league funds?**

The handling of league funds is limited to current league officers. If the treasurer is absent, another officer, not a friend, spouse or team member must handle the funds for full insurance coverage.

### **Can the treasurer correct errors on the team envelope?**

A league officer should never change, white-out or erase what the team has written in the envelope. Team envelopes are the team's record for payment. If payments and the envelope do not match, return the envelope to the team to determine the proper entries.

### **Is the treasurer's end-of-season financial statement the league audit?**

No. An audit is done by a committee that does not include the president or treasurer and must be done no later than 30 days prior to payout. Click [Audit Procedures](#), [Audit Committee Worksheet](#) and [Audit Worksheet Instructions](#).

### **Mythbusters**

Busted, Plausible, or Confirmed:

**Myth #11:** I can put league funds into my personal account.

Myth #51: The president's verification of the league account is the league audit.

**Get the answers to these and other bowling myths.**

Want to be part of Mythbusters? Send your bowling myth to [Rules@bowl.com](mailto:Rules@bowl.com).

### **Tenpin Puzzler**

PB Atkinson is on vacation and will return next month with a new Tenpin Puzzler!



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