

# LEAGUE TREASURER



**ORGANIZES AND MAINTAINS ALL OF THE FINANCIAL RECORDS OF A LOCAL LEAGUE**, DISPENSES ALL LEAGUE FUNDS, PREPARES MONTHLY REPORTS OF FINANCIAL STATUS TO THE BOARD OF DIRECTORS, PREPARES ALL NECESSARY BUDGETS, AND ASSUMES ALL RESPONSIBILITY FOR LOCAL LEAGUE FINANCES.

\*\* This is a required position and should not be held by the League President or someone with a close relationship with the League President.



Learn more at [LittleLeague.org/Treasurer](https://LittleLeague.org/Treasurer)

## PRINCIPLE RESPONSIBILITIES

1. Prepare an annual budget to include all revenues, such as registration fees and fundraising activities based on the membership size of the prior year. Budget should also include: expected expenses of the league year such as:

- Uniforms
- Fundraising Expenses
- Insurance fees
- Field Maintenance
- Charter Fees
- Banners

2. Monthly Treasurer's Report including bank balances and income statement. Download online at [LittleLeagueU.org/Finance-Downloads](https://LittleLeagueU.org/Finance-Downloads)



3. Submit annual financial report to the regional office.

4. Maintain and reconcile all bank accounts and pay league expenditures.

LEAGUE ANNUAL REPORT



→ REGIONAL OFFICE

5. Prepare and maintain records of all revenues sources.

6. Responsible for all day-to-day transactions and documentation of the league. Monitor and deposit all revenues including registration fees and fundraisers.

7. Maintain federal group tax exemption as illustrated in Operations How-To Guide Tab (See Page 15)

8. Prepare documentation for independent audit, either by professional accountant or audit committee of board of directors.

9. Must submit an annual tax return to the IRS (local and state returns as necessary).

## GROSS RECEIPTS REQUIREMENTS FOR FEDERAL TAX FILING

Gross Receipts is the total amount of revenue your league receives from all sources in a year, not including expenses or deductions.

- a. Excess of \$50,000 but less than \$200,000, required to file **990EZ** with **Schedule A**

→ Download at [LittleLeague.org/990EZ](https://LittleLeague.org/990EZ)

- b. Over \$200,000 must file Form 990 with **Schedule A**

→ Download at [LittleLeague.org/990](https://LittleLeague.org/990)

- c. Less than \$50,000 must file e-postcard **990-N**

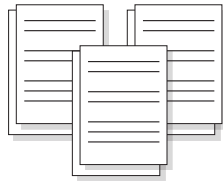
→ Download at [LittleLeague.org/990N](https://LittleLeague.org/990N)

**BEST PRACTICES FOR YOUR LEAGUE'S FINANCES**



- Set up an Audit Committee† in your League’s board
  - Schedule a meeting prior to the monthly board meeting
  - Review all bank statements, deposits, withdrawals, receipts, and the monthly Treasurer’s report

**TIP:** Taking these 15-20 minutes to review statements before the board meeting. Additionally may help prevent fraud situations in the future. There is never too much documentation. Also it should make the meeting go faster if the Audit Committee reports that the monthly transactions were reviewed and approved.



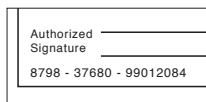
- Maintain back-up documentation for all significant sources of revenue
  - Registration fees
  - Concession revenues
  - League fundraisers

**TIP:** Make sure all the deposits match your ledger.

- Prepare an annual budget, including all of your expenses and share it at registration

- This helps explain how registration fees are set and why fundraisers may be necessary

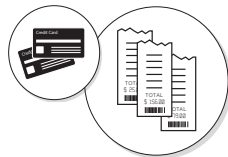
**TIP:** It is important to always be transparent with both the board and the members about all costs to operate the league



- Require multiple signatures on all checks and bank accounts

- Two for checks
- Three on bank accounts

**TIP:** Online Banking is a time-saving tool to pay bills and transfer funds, but it needs to be monitored closely for inappropriate transactions. Again you must have proper documentation for all online transactions.



- Limit and monitor the use of all credit and debit card transactions for reasonableness

- Insist on receipts for all purchases. Do not pay from statements
- Cash transactions and debit withdrawals should be limited when possible

**TIP:** This is one of the biggest risks for fraudulent activity, purchasing items for personal use on a league account. For example don't just pay the statement from the local big box store without receipts.



- Create checks and balances in concession operations.

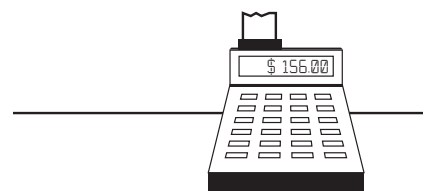
- Cash should be verified at the beginning and end of each night, deposits audited for reasonableness

**TIP:** There is a big risk of fraud in this area if not closely supervised by multiple people.


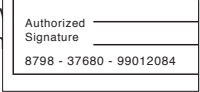


**“ REMEMBER:** THE MORE YOUR LEAGUE IS TRANSPARENT WITH FINANCES, THE BETTER YOU SERVE YOUR COMMUNITY! **”**

**† AUDIT COMMITTEE:**

The Board of Directors may appoint an Auditing Committee consisting of a minimum of (3) Directors. The President, Treasurer, or signatories of checks are not eligible. Books and statements will be reviewed on a regular basis.



## TIPS FOR PREVENTING FRAUD


- Prepare an annual budget and make it available to all members of your league.
  - Set a procedure in place that tracks approved expenditures against your league's budget on a monthly basis.
- Provide a monthly report at each meeting that details revenues and expenses incurred since the last meeting. As a part of that report, include a reconciliation of new revenues and expenses with the league's accounts.
- Establish an audit committee that consists of a minimum of 3 members. These may be board members or other members of the league in good standing with a financial background, and is a good way to recruit new volunteers who may have that background in your community. The audit committee should review all financial activity including, but not limited to bank statements, credit card statements, deposits, withdrawals, receipts, etc. The audit committee should audit activity on a monthly basis and complete a yearly audit at the close of the league's fiscal year.
 
- Multiple signatures should be required on all checks and bank accounts. It is recommended that two are required for all checks and three signatures are required for all bank accounts. If using online banking, provide the audit committee with online banking information.
 
- Restrict relatives from serving as both president and treasurer. Creating a local bylaw that prohibits spouses or other closely related individuals from serving in the roles of president and treasurer concurrently reduces the risk for fraud and eliminates the appearance of any conflict of interest.
 
- Create checks and balances in concession operations. Cash should be verified at the beginning and end of each night and deposits should be audited for reasonableness. A concession stand should never be losing money. The audit committee should review all concessions activity on a monthly basis and bring any irregularities to the attention of the board.
 
- Establish practices that encourage transparency with all members of the league. Providing regular updates and insight will discourage individuals from committing fraud since they know it is likely that irregular activity will be noticed and questioned.
- Reconcile bank accounts including debit and credit card accounts on a timely basis to identify and resolve any discrepancies noted.



### **DON'T LET THIS HAPPEN** Married Couple on Board of Directors Embezzles Funds [LittleLeagueU.org/Embezzlement](https://LittleLeagueU.org/Embezzlement)

During the second-to-last board meeting of the year, the president and treasurer (husband and wife) reported a staggering low balance of fund in the league's account. Upon further investigation, the leagues audit committee discovered that a substantial amount of funds had gone missing prompted the league to take action.

## STEPS TO TAKE IF FRAUD IS SUSPECTED

- Gather all documentation and records that indicate fraud may have occurred.
 
- Bring any suspicion of fraud to the attention of the entire board immediately. The board should discuss the matter and make a determination on next steps.
- If appropriate, contact the local authorities and report the suspicious activity. It is the league's responsibility to protect the interest of its members by taking all necessary action when fraud is suspected. Please note that a crime insurance claim cannot be submitted unless a police report has been filed.

## CREDIT/DEBIT CARD GUIDANCE

Accepting and utilizing credit and debit cards provides a great deal of convenience to leagues both when conducting registrations and purchasing necessary supplies for the league. When accepting or utilizing credit/debit cards, there are several important items to keep in mind.

### Tips for Accepting Credit/Debit Cards:

- If accepting credit/debit cards for registration fees, leagues are strongly encouraged to utilize DICK'S Team Sports HQ online registration tool, which includes affordable options for accepting card payment.
- Under no circumstances should leagues ask parents to provide card information in writing or verbally to any member of the league.
- Under no circumstances should any individual other than the cardholder enter payment information into an online payment processing system.
- Under no circumstances should the league store any payment information in any form.



### Tips for Utilizing Credit/Debit Cards:

- Limit the number of individuals authorized to make a purchase using a league credit/debit card.
- Do not share the card number or pin with individuals that are not authorized to make purchases using the card.
- Set dollar limits for purchases that require board approval vs. purchases that can be made prior to approval.
- Require receipts to be submitted to the league treasurer, audit committee (or finance committee) for all purchases made.
- Provide the audit committee with access to online statements and card activity.
- Have all statements reviewed monthly by the audit committee and/or a board member that does not have access to use the league's card on a regular basis.