



# The Musts of League Funds

The following topics discuss things that **must** be done to comply with USBC Rules and Bonding Procedures and safeguard the league funds. Please remember, as you read on, that "must" is the key word in each of these topics.

## **League Account**

The league must have an account in a bank or credit institution that is a member of the Federal Deposit Insurance Corporation (FDIC) or equivalent, or use in-center banking. The account must be in the name of the league, not an officer's name. Two officers must sign for any withdrawals. Signers on the account cannot be immediate family members.

The league decides if a banking institution or in-center banking will be used. Consider conveniences and safety for the officers, who will be depositing and withdrawing league funds. Also, consider the institution's hours and location, as well as any fees that may be charged, before making a decision.

When using a banking institution, the account should be opened using an Employee Identification Number (EIN) - not an officer's social security number. The EIN is provided by the Internal Revenue Service (IRS) and, if done online, the number is assigned immediately upon completing the form. Click [here](#) for instructions specific to getting an EIN for a league.

In-center banking is convenient for deposits but there are drawbacks. First, the league must be aware that USBC bonding insurance does not cover losses incurred because of center insolvency. We have heard of leagues having to wait to withdraw league funds for payment of membership dues, league expenses and the league prize fund. Be sure to address these items with center management if the league chooses in-center banking.

The center must provide the president with a monthly statement of the league deposits and withdrawals, and it is important to address with the center. USBC has a step-by-step procedure to assist you in setting up an in-center banking agreement. Click [here](#) for details.

## **Deposits**

League funds must be deposited in the league account within seven (7) days of receipt. This includes funds collected for membership dues. Membership dues must be deposited in the league account or a money order purchased within seven (7) days of receipt and forwarded to the local association.

Failure to deposit within seven (7) days negates full bonding insurance coverage. Click [here](#) for Bonding information.

## **Verification**

The league account statement must be sent to the league president. The president must do the arithmetic necessary to verify the account monthly. Click [here](#) for a verification form to assist in verifying the account.

## **Withdrawals**

Whether you use a checking account, savings account or an in-center banking account, all withdrawals must have two signatures. Other than ordinary expenses such as center lineage, expenses must be approved by the board or stated in the league rules prior to payment.





The Bonding Program covers up to \$10,000 at the end of the bowling season, when money is withdrawn for prize/award distribution. For prize/award funds of more than \$10,000, USBC recommends payments are made with checks or money orders. Leagues must distribute league prizes/awards within seven (7) days after withdrawal for Bonding coverage.

### **Audit**

The league president must appoint an audit committee. The audit committee must complete at least one audit within the last 30 days of the league schedule. Click [here](#) for detailed audit committee procedures. We also have created a worksheet to assist the committee; click [here](#) for a copy.

### **Financial Statements**

The treasurer or secretary/treasurer must complete a financial statement and provide a copy to each team captain. The financial statement discloses all money collected by the league, including membership dues and league fundraisers, and discloses all expenditures.

The financial statement must include a detail of the prizes paid to each team and individual. Click [here](#) for a sample financial statement.

