

Protecting Your League: Governance & Best Practices for Little Leagues

By Julie Mass

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Obtaining & Maintaining Tax Exempt Status

- Little League Baseball, Inc. Group Exemption
- EIN
- Nonprofit Corporation – WA Secretary of State
- IRS (apply using Form 1023)
- Reinstatements after loss of tax exempt status
- WA State Charitable Solicitations Act
- Department of Revenue
- Local licenses and permits

Board Governance

- Articles of Incorporation
- Constitution (Bylaws)
- Little League Baseball, Inc. Rules
- Local Rules
- Board Policies & Procedures Manual
 - Fiscal Policies
 - Conflict of Interest Policy
 - Information on Running the League (nuts and bolts)
 - Sponsorship Policies
 - Communications Policies

Board Governance (cont.)

- Board Members
 - Duty of Care
 - Duty of Loyalty
 - Duty of Obedience
- Board Meetings
 - Agendas
 - Materials
 - Minutes – record all actions and elections
 - Rules of Order
 - Quorums

Board Governance (cont.)

- Committees
 - Purpose
 - Scope/charters
 - Defined or ad hoc
 - Board oversight

Liability Issues/Protecting the League

- Manage Exposures and Risks
- Policies and Procedures
- Insurance
- Directors and Officers Liability
- Preventative Measures
- Contracts
- State/Local Permits

Financial Controls

- Regular reporting to Board
- Bank statement review
- Two signatures on all checks
- Preferably person doing books does not sign checks
- Supporting documentation for every expense/payment
- Maintain copies of deposits
- Reconcile bank statements monthly

Financial Controls (cont.)

- Acknowledge gifts over \$250 and follow IRS guidelines
- Observe donor restrictions on funds
- Track and report on various funds
- Managing and investing funds
- Loans to board members prohibited
- No private inurement to individuals
- Establish audit/finance committee for oversight



Financial Checklist