

Ohio Youth Soccer Association North

FINANCE

POLICIES AND PROCEDURES

Adopted: April 12, 1999

Revised: December 4, 2000

I. Financial Policies & Procedures

A. Purpose

It is the purpose of these financial policies to provide consistent application of conduct and proper internal controls to safeguard the assets of the Association while performing the duties as described in the Association's Bylaws and Rules. To this end, all funds raised and dispersed in the name of the Association must be managed in such a way that the tax-exempt status of the Association will not be endangered.

B. Definitions

1. "Association" means Ohio Youth Soccer Association North, Inc.
2. "Department" means an Association officer, program, committee, or office.
3. "Event" means the Association Workshop, the State Cup, or other events of a similar nature. It is not a committee, office or officer of the Association.
4. "Line item" means a specific line with corresponding amount in the Association budget. Normally there are several line items within a Department area of the Association budget.
5. "Program" means the operations of a specific officer, committee, or office of the Association. It normally is an area that contains at least several line items within the Association budget.
6. "Office" means the physical location of the OYSAN state office, or the employed personnel who work at the location.
7. "Fixed Asset" is defined as any property costing over \$500.

C. Management and Control

The President, Treasurer, and Executive Director shall be in regular contact concerning the financial performance of the Association.

1. **General Requirements of All Accounts.** All income of the Association, shall be deposited into and all expenses shall be paid by checks drawn against the following accounts:
 - a. **Type of Accounts.** The Association shall have the following accounts, as approved by the Board of Directors:
 - (1) the operating account is exempted from being interest bearing;
 - (2) money market savings account, which shall be interest bearing;
 - (3) a credit card account;
 - (4) investment accounts as recommended by the Treasurer and Investment Committee; and
 - (5) office account for the Office which may not contain more than \$100. This account shall be supervised by the Association's Executive Director.
 - b. **Location of Accounts.** The accounts of the Association shall be maintained by the Treasurer at the State Office. Operating accounts must be placed in institutions insured by FDIC or by another federally insured institution. The Treasurer shall be mindful that the account shall not exceed the maximum amount that is insured.
 - c. **Name of Accounts.** All accounts of the Association shall be in the Association's name.
 - d. **Signatures Required.** Checks for the payment of expenses shall be written by the staff and shall be signed by any one of the three following persons: the Association's Treasurer, President and Executive Director. Checks under \$10,000 may have one signature; checks \$10,000 or over require two signatures. The following is the only exception to this policy: Payroll checks may contain one imprinted signature if the payroll is administered by a third party, independent of the Association and its employees.
 - e. **Security.**
 - (1) valuable assets should be kept in a locked safe; and
 - (2) bank deposits should be made frequently; and
 - (3) blank check stock must be locked in a secure location; and
 - (4) computer security must be maintained.

- f. **Restricted Contributions.**
 - (1) management of restricted contributions, restricted bequests, restricted grants or other restricted funds must meet all legal requirements and all requirements related to the contribution, bequest, grant or fund.
 - (2) Upon acceptance by the Board of Directors of the restricted contribution, bequest, or grant, the Treasurer will create the proper procedure for managing the funds.
2. **Receipts of the Association.** All income of the Association shall be placed into Association accounts.
- a. **Opening the Mail and Collecting Financial Receipts.** An Office employee shall open all mail and stamp any checks or other financial receipts for deposit. This individual in the presence of another employee shall log all cash received. All checks and cash should then be totaled and recorded in a daily receipt log. All checks, financial receipts and cash shall be provided to another Office employee.
 - b. **Processing the Checks.** A second Office employee will copy the checks, record the appropriate general ledger account form, place such copies in a specified file, and prepare a deposit slip. The deposit slip total must agree with the daily receipt log. This person will place all financial receipts, check and cash in a fireproof safe. A copy of the general ledger receipts form should be given to the bookkeeper for posting.
 - c. **Deposits.** Another office employee, at regular and reasonable intervals, will make the actual deposits to the bank. If another employee is not available, then the deposit can be placed in a locked bank bag and deposited. The deposit receipt from the bank must match the daily receipts log and the copy of the deposit slip.
 - d. **Executive Director.** The Executive Director, as a signatory, shall not take part in any of the above activities.
 - e. **Bank Reconciliation.** The bank statement shall be sent, unopened, to the Treasurer who shall be responsible for the bank reconciliation either personally or by supervision of an employee or contractor.
3. **Disbursements of the Association: General Requirements.**
- a. **Documentation Required.** Disbursements shall be paid only as a result of documentation supporting the expense. A signature is required on all such documentation. Such documentation should also include Association Direct Expense Reimbursement Forms with proper attachments, invoices or other written billing.
 - b. **No Disbursements Over Total Program Budget.** No disbursements may be made on payables which are not covered by the approved Budget or board approval unless participation in an event is greater resulting in greater revenue which results in proportionately higher payables.
 - c. **Disbursements Requiring Transfer of Funds.** The Association Executive Director shall implement a transfer of sufficient funds to cover credit card account from funds in the operating account. The transfer shall be verified by another Office employee. Funds from the money market savings account may only be disbursed to the operating or investment accounts of the Association.
 - d. **Approval by President or Treasurer.** Prior to signing checks, a list of checks to be signed will be approved by either the President or Treasurer in writing.
 - e. **Attachments to Disbursements.** Documentation may be sent attached to the Association Checks.
4. **Investment Accounts.**
- a. **Investment Committee.** The ~~Chairman~~ President may appoint an Investment Committee, chaired by the Treasurer, for consultation in the decision to invest funds of the Association.
 - b. **Investments.** The Board of Directors with the assistance of the Treasurer shall decide the nature and amount of investment for the Association, with the advice of the Investment Committee.
 - c. **Investment Considerations.** Considerations for the investment of Association funds shall be as follows (listed in the order of priority):
 - (1) security; then,
 - (2) liquidity; then,

(3) rate of return.

5. **Financial Records.**

- a. **List of Accounts.** The Office and the Association's Treasurer will create a list of accounts which reflect the line items listed in the Budget.
- b. **Books and Records.** All books, records, and accounts will be maintained by the Office staff under the supervision of the Executive Director.

6. **Reporting**

- a. **Records of Current Financial Activity in Comparison to Budget.** The Treasurer will create and report, on a monthly basis, current financial activities and send it to the following:
 - (1) Board of Directors; and
 - (2) Program Chairmen
- b. **Reports for Board of Directors' Meetings.** Financial reports shall be available to the Board of Directors monthly.
- c. **Individuals Compensated, Information to be Provided to the Association.** All individuals providing a service which is compensated by the Association, including its Regions, must provide name, address, and social security number or EIN to the Office for the purpose of the Association filing IRS form 1099.

7. **Audits**

- a. **Accounts.** All accounts of the Association shall be audited annually.
- b. **Audit Results.** The results of all audits shall be provided to the Board of Directors.

8. **Physical Assets/Personal Property of the Association.** Each year before the last month of the fiscal year, the Office shall prepare and/or update an inventory of the physical assets/personal property of the Association. Such inventory will include:

- a. A specific description of the asset including brand name, model and serial number of the asset;
- b. The person who has physical control over the asset;
- c. The location of the asset; and
- d. The approximate value of the asset.
- e. Fixed Assets costing less than \$500 will be expensed when acquired.
- f. Fixed Assets costing \$500 or more (including installation) will be capitalized and depreciated over the following amount of time:
 - Mechanical equipment (computers, copiers, etc.), 5 years
 - Non-mechanical equipment (desks, tables, etc.), 7 years
 - Software, 3 years
 - Leasehold improvements, estimated useful life or the remaining lease term—whichever is shorter.

9. **Other Matters**

- a. **Policies to ease Management and Control.** The Office staff and the Treasurer will, from time to time, create policies to ease the management and control of the financial performance of the Association. These policies shall be presented to the Board of Directors for approval prior to implementation.
- b. **Conflict of Interest.** It is deemed a conflict of interest and therefore prohibited for any member of the Association to invest funds of this Association in or through any organization, company or business in which the member (or a member of his/her immediate family)
 - (1) has an ownership interest other than as an outside shareholder; or
 - (2) is an employee in a managerial or supervisory position.The Board of directors may recognize and approve a conflict with a vote:
 - (1) authorizing the exemption, and
 - (2) stating the nature of and the reason for the exemption, and
 - (3) with the person the subject of the conflict removing himself/herself from the discussion or vote.The vote must be recorded in the minutes.

D. **Expense Reimbursement.** It is expected that the Board of Directors, Committee Chairmen, and volunteers and employees of the Association will, from time to time, incur expenses on behalf of the

Association. This policy presents standard procedures by which volunteers and employees may recover funds properly expended in the conduct of the Association's business.

1. **General Policy.** Association volunteers and employees shall be reimbursed for actual, reasonable, and proper expenditures incurred in the conduct of approved Association's business. The Association's volunteers and employees should not be penalized nor should they profit by adhering to stated Association policies with respect to expense reimbursements.
2. **Application.** These policies are applicable to all volunteers and employees of the Association. All levels of management are responsible for informing their volunteers and employees about Association policies and procedures for expense reimbursement.
3. **Expense Reimbursement Policies--Specific Requirements**
 - a. **Must Submit Expense Reimbursement Form.** An expense reimbursement form created by the Office and approved by the Board of Directors shall be utilized by anyone requesting reimbursement from the Association. Any request for reimbursement which relates to someone other than the person requesting reimbursement, such as purchases of meals, or any other item for another person/entity, the person submitting must include the full name(s) of all such other person(s)/entity(ies), the business purpose and details, and adjacent, the item(s) purchased. Upon completion with the date, signature, details and attached receipts and invoices, it should be submitted to the Office or the appropriate person responsible for approval within thirty (30) days of the expense.
 - b. **Documentation Required.** Expenses shall be paid only as a result of documentation supporting the expense. Such documentation shall include Association Expense Reports with proper attachments, invoices or other billing.
 - c. **Business Meetings and Conferences.** When expenses are submitted for attendance at Association business meetings, conferences, and meals with guests, the Association member should indicate on the expense report the nature of the meeting, the attendees, and other data which may be necessary to support the expense.
 - d. **Responsibility of Persons who Submit or Approve Expense Reimbursement.** Anyone with expense reimbursement approval authority must be fully cognizant that their signature on an expense report indicates conformity to stated Association policy, that legitimate and necessary expenses have been incurred, and that all items on the expense report are properly reimbursable to the person submitting the report. Both the person submitting the report and the Board of Directors member or committee chairman approving the report have equal responsibility for its correctness and to ensure that all expenditures are commensurate with Association policy.
 - e. **Approval.** Direct Expense Reimbursement Forms shall be first approved by the Executive Director or for coaching reimbursements, by the Director of Coaching. The President of the Board shall approve reimbursements for Board Members. Persons have the right of the to appeal the signatory's decision to the Board of Directors.
 - g. **Approval of Executive Director's Expenses.** The Executive Director's expenses shall be reviewed for approval by the Association's President. The Executive Director has the right to appeal the decision of the president to the Board of Directors.
 - h. **Approval of the President's Expenses.** The President's expenses shall be reviewed for approval by the Treasurer, or by the Executive Director at the request of the Treasurer. The President has the right to appeal the decision to the Board of Directors.
 - g. **Time Period.** Expense reports shall not cover periods of time greater than one month.
 - h. **Penalty for Failure to Submit Timely.** Any reports not submitted within thirty (30) days of the end of the Association's fiscal year shall not be reimbursed, unless specifically approved by the Board of Directors.
 - i. **Rebates or Adjustments.** Any rebate or adjustment received by a person submitting an expense reimbursement request should be deducted from expenses claimed. Funds received after expense report reimbursement should be returned to the Association Office along with a corrected copy of the original expense reimbursement form.
 - j. **Discounts.** Members are encouraged and advised to maximize discounts available to them. The fact that a private organization may be paying the bill has no bearing on their personal obligation to

seek discounts. Association volunteers and employees should request any available discounts for car or van rental, lodging and air travel.

- k. **Receipts.** For reimbursement, receipts must be attached for all expenditures in excess of \$25.00.
- l. **Compliance with IRS Regulations.** The policies, procedures and instructions contained herein are written to conform with current Internal Revenue Service and Federal Government Regulations.

4. **Credit Cards**

- a. **Issuance of Credit Cards.** The Board of Directors may approve credit cards to be issued to and in the name of the Association to be utilized by the President, Vice President and Executive Director, and Director of Coaching and Player Development for Association business.
- b. **Paying for the Expenses.** The annual fees for the credit card(s) shall be paid by the Association. The billings from the credit card company shall be mailed directly to the Office, which in turn shall send payment to the credit card company on a timely basis to avoid any and all interest charges.
- c. **Reporting.** Each card holder shall be responsible for providing a signed and properly completed Association Charged Expenses Report Form with receipts attached, in excess of \$25, to the Office within thirty (30) days of the incurred expenses. Any charged expense which relates to someone other than the cardholder, such as purchases of meals, or other items for another person/entity, the cardholder submitting must include the full name(s) of all such other person(s)/entity(ies), the business purpose, and adjacent, the item(s) purchased.
- d. **Office.** When a credit card billing arrives, the Bookkeeper will send each person who has not already submitted the "pink" Association Charged Expenses Form, a memo with a blank "pink" form and a copy of the credit card statement pertaining to that person's charges. The memo will request submission of the information substantiating the expenditure, the properly completed form with proper supporting information attached within five (5) days.
- e. **Failure to Provide Proper Documentation.**
 - (1) If the proper documentation is not received within the specified time period, a letter will be sent by the Treasurer or the Chairman to the non-reporting person advising the person that if submission is not received within seven (7) days, the Association credit cards issued to the delinquent person will be subject to cancellation.
 - (2) If the proper documentation is still not received within the specified time period, the Office, after notifying the Treasurer and the Chairman, and with Board of Directors approval, will cancel the non-submitting person's credit cards.

5. **Travel Expenses.**

- a. **General Policy.** The Association will reimburse volunteers and employees for reasonable and proper expenses incurred in connection with traveling and living away from home, with exceptions as noted, in the conduct of approved Association business. The purpose for the trip and expenses incurred must be documented and properly reported on an Association expense reimbursement request form.
- b. **Mode of Transportation and Air Travel.**
 - (1) **Air Travel**
 - (a) **Mode of Transportation Least Expensive.** The mode of transportation should be dictated by the relatively least expensive way to travel.
 - (b) **Coach Class Required.** Air travel will be "coach" class. Travelers expecting reimbursement should make reservations as early as possible to take advantage of the least expensive fares available.
 - (c) **Air Bonus Mileage Awards (Frequent Flyer Miles).** The bonus mileage awards accrued by travel at the Association's expense will be the personal property of each traveler to be used as they see fit. An exception is that any accrual of bonus mileage awards attributable to a team's travel in connection with a specific program shall accrue to the program's benefit.
 - (2) **Personal Automobile.** Persons requesting reimbursement may elect to drive a personal automobile between home and airport, bus or train terminals.
 - (a) **Reimbursement.**

- [1] **Mileage.** The Association mileage reimbursement shall be for the actual mileage driven at the standard mileage rate as allowed by the Internal Revenue Service for the previous calendar year. Such rate will be provided by the Office. This rate includes the cost of gas, insurance, use, maintenance, and depreciation. Association officers shall be reimbursed for local mileage incurred on Association business.
- [2] **Parking and Tolls.** Parking fees and tolls are additional expenses which will be reimbursed in addition to mileage.
- [3] **Mode of Transportation Least Expensive.** The amount reimbursed for travel by private automobile will not exceed the value of the least expensive air transportation. Actual mileage includes round trip to destination and travel between visiting site and hotel. Exceptions to this policy may be granted by the applicable authority when it is in the best interest of the Association.
- (3) **Rental Cars.** Prior to rental of a car, consideration should be given to its required use and other transportation alternatives. Members should request economy or compact sized cars, except when three or more members are traveling together.
- (a) **Rental Agreements.** Rental agreements provide several options to the renter. Please check with the Office for waivers that should or should not be taken when renting a car.
- (b) **Accidents.** In the event of an accident, local rental and law enforcement authorities must be promptly notified.
- (c) **Payment.** Payment for rental cars is the responsibility of the individual. No attempt may be made to bill Association directly.
- (d) **Receipts Required.** The itemized rental receipt, along with the actual payment receipt, are required to be submitted.
- (4) **Other Transportation.** Often the nature or place of the trip indicates that taking taxis, airport limousines, or hotel courtesy cars is most economical, and negates the need for rental cars.
- (a) **Taxis.** Taxis are an alternative to the use of rental cars and should be used, when appropriate.
- (b) **Limousine Service.** Most airports offer this means of transportation for commuting between the airport and downtown areas or motels. It is usually less expensive for groups than taxis and may be substituted for rental cars, when appropriate.
- (c) **Public Transportation.** Many metropolitan areas have a variety of forms of public transportation. Association volunteers and employees are encouraged to use these systems, when appropriate.
- d. **Lodging.** Association volunteers and employees will be reimbursed for the actual cost of reasonable accommodations for approved travel.
- (1) **Types of Rooms and Rates.** Single room rates should be requested when reservations are placed, with lodging expenses to be itemized by the day on the expense reimbursement request. For trips where weekly or monthly rates are available and favorable, this must be clearly shown on the expense reimbursement request. Members are expected to seek lodging in the proximity of the visiting location to minimize the cost of local transportation.
- (2) **Receipts Required.** The itemized hotel bill is required to be submitted.
- e. **Cancellations.** As requirements and plans change, it is understood that not all schedules may be met. Particularly expensive to the Association are the payments for lodging held on reservations when "no-shows" occur. Only in the most unusual circumstances will the "no-show" be considered a proper expense. The traveler has the responsibility to cancel reservations.
- f. **Meals.** Association policy provides for reimbursement of actual meal expenses, including tips, up to but not to exceed daily limit of \$35.00. The Board of Directors in high cost areas may approve higher daily meal allowances. Alcoholic beverages in a restaurant consumed with meals are reimbursable, if the meal is reimbursable.

- (1) When meals are consumed at home before/after travel, on airline, or provided by the customer, or another member of the Association, it is expected that the full daily rate will not be needed.
 - (2) Each meal must be specifically and separately reported on the Expense Reimbursement Request Form.
 - g. **Telephone Calls.** Actual expenses for Association calls, safe arrival calls, and calls to family will be reimbursed to individuals traveling on approved Association business. Receipts are required. Proper receipts must be attached to the expense reimbursement request to substantiate the expense (e.g., itemized hotel bill or actual telephone bill).
 - h. **Non-Reimbursable Travel Expenses.** The Association will not reimburse volunteers and employees for personal expenses such as: traffic citations, cost of clothing, personal medical expenses, valet, entertainment, losses of personal property, personal grooming expenses, movies, individual or group bar expenses or any other personal expenses.
 - (1) **Spouse/Friend/Family Member.** Additional costs incurred when a spouse/friend/family member accompanies a person on an Association business trip are not reimbursable.
 - (2) **Personal Travel in Conjunction with Association Travel.** Expenses incurred that are not attributable to the Association's business are not to be included on an expense reimbursement request form.
 - i. **Miscellaneous Reimbursable Expenses.** Other reasonable and necessary reimbursable expenses related to Association business activities may include: supplies, tips, passport fees, postage, shipping, equipment rental, printing and copying.
 - j. **Clothing Rental:** The rental of apparel for purposes of representing OYSAN is a reimbursable expense.
- E. Failure to Follow Financial Policies.**
- 1. In the event any member, officer, committee member, employee or any other person of the Association fails to comply with these policies, the Chairman and the Treasurer shall be notified.
 - 2. The non-compliant person shall be notified in writing by the Office, Chairman or the Treasurer either by delivery in person or by regular mail of the non-compliance and shall be requested to comply within 10 business days.
 - 3. If the non-compliant person fails to comply by the date certain, a second letter from the Chairman or the Treasurer shall be delivered in person or by certified mail, return receipt requested. If sent by mail, the letter shall be considered delivered on the third day after it is placed in the U.S. mail, with sufficient postage and the correct address of the addressee. The letter shall demand compliance within fifteen (15) days after the letter is delivered or the non-compliant person shall be automatically considered in bad standing, removed from appointive office, and prohibited from participating in any Association activity. If the non-complying person is a board member, a hearing will be scheduled with the Board of Directors to remove the person from office as stated in Section Two of the OYSAN By-Laws.
- F. Budgetary Process**
- 1. **General Policy**
 - a. **Sponsorship Income.** Only income that is contractually "in hand" shall be projected as from non-members income.
 - b. **Registration Income.** Previous year's player registration shall be used for projecting income from player registrations for the next fiscal year.
 - 2. **Initial Budgets**
 - a. **Generation.** The next fiscal year's budgets of all officers, programs, committees and offices of the Association shall be initially generated by the Association's Executive Director.
 - 3. **Budget Process**
 - a. The Executive Director shall compile and present a preliminary proposed budget for the Association, including suggested changes of departments, to the President, and or his designee, no later than August 31 preceding the new seasonal year.

- b. By October 1, the Board of Directors shall either approve the seasonal year budget or pass a temporary order permitting payment of bills until the budget is approved.
4. **Association Board of Directors.** The Association Board of Directors shall review and approve the budget.
5. **Budgetary Amendments.** Once the Budget has been approved by the Board of Directors, any anticipated changes to the general budget category must be accomplished through the budget amendment process.
 - a. **Contents of Requests for Amendment.** Requests for budget amendments shall contain:
 - (1) the full, original Budget as approved by the Board of Directors;
 - (2) the requested change,
 - (3) the budget totals for each line item as modified;
 - (4) a statement identifying the source of funds to fulfill the requested increase.
 - b. **Executive Director.** The Executive Director shall in turn submit its recommendation to the Board of Directors, which shall have the responsibility for final approval.
 - c. **Board of Directors.** Upon the receipt of the proposed budget amendment the Board of Directors shall consider the amendment at its next scheduled meeting. In the event that urgency is required, the meeting may be by telephone conference or other telecommunication media.

II. Standards

A. Formats

1. Forms used in the routine communications and business of the corporation shall be determined by the Executive Director subject to supervision by the Board of Directors.
2. Forms used in the protest and appeals process will be set by the Appeals Committee subject to supervision by the Board of Directors and approval of the Legal Counsel as to legal matters.

B. Logos

1. All official forms, documents, correspondence, and awards of OYSAN shall contain the official logo. The logo in various sizes with color separations, in the form of an "ad slick" shall be made available by the Office for use by OYSAN committees and state associations. All uses of the logo must be requested in writing to the OYSAN Office, and all representations of the logo must be approved before distribution to the public.
2. All members of OYSAN are encouraged to report any unusual or suspicious uses of the OYSAN logo to the Executive Director for trademark enforcement action.

C. Colors

The colors of OYSAN are red, white and blue as set in the Bylaws and Rules of OYSAN.

D. General Information on Copyright and Trademark Use

1. OYSAN will claim copyright protection for all booklets, flyers, and materials developed and published by OYSAN or by any of its committees. All committee members and others who participate in the drafting and editing of OYSAN publications accept that such work is in behalf of OYSAN and that all rights shall vest in OYSAN.
2. The Ohio Youth Soccer Association North, Inc. will claim common law copyright in all written materials produced for it. In appropriate cases, formal filing for copyright registration will be made. The production of all written or filmed materials for OYSAN by its volunteers, staff, or specially commissioned contractors will be made on the understanding that all ownership of the material will vest in OYSAN and be subject to copyright by OYSAN.
3. All members are encouraged to report any suspicious or inappropriate use of OYSAN materials or reproductions of such materials to the Office for copyright enforcement action.
4. Copyright and trademark protection can be lost if reproduction or use of protected materials by unauthorized persons is not challenged. OYSAN wants its materials used, and it is in the interest of OYSAN that its logo be widely recognized. Most non-commercial uses of the logo and reprinting of materials will be approved if requested.

The Office will issue cease and desist demands to any League, Club or other entity that uses the OYSAN logo without prior written permission. Committee members are subject to removal from committees for unauthorized or improper use of logos.

E. **Web Page.** OYSAN maintains the rights of all work and authority over its web page: OYSAN.org. The web page is not to be used for advertising of commercial ventures including tournaments, equipment, services, camps or other activities. The logos or trademarks of state sponsors are permitted to be shown. The Executive Director is charged with the maintenance and service to the web page, and may ban persons using the web page inappropriately from use of the page. Content of the web page and its associated pages is the property of OYSAN.

F. **IV. Insurance**

OYSAN shall maintain the following insurance policies:

A. **Comprehensive General Liability**

Comprehensive general liability insurance provides protection against claims of negligence by the organization and its representatives. This is essential protection for every state and local association. Policies should be examined for the following:

1. Player participant exclusion (reject a policy with this provision).
 2. Coverage for rental cars (liability and collision).
 3. Coverage for committee persons, coaches, referees, and miscellaneous officials.
 4. The extent of coverage to local programs and teams.
 5. The extent of coverage for teams that travel.
6. Most owners of soccer fields now require a certificate adding the landowner as an additional insured on your liability insurance policy. Field owners also sometimes demand that the local association sign an agreement dealing with liability. Be careful in reading the agreement. Sometimes these agreements go far beyond a statement that the soccer association will be responsible for its own negligence. There have been occasions in which the landowner has asked the soccer association to release the landowner from liability for not only field conditions, but also from the acts of the landowner's employees. If there is any qualm about the advisability of a particular statement, contact the OYSAN or insurance agent. It would be very unpleasant to learn after an accident that the association had signed away its rights to insurance protection.

B. **Fidelity Bond on Staff Members in the Office**

All staff members shall be bonded. All persons handling money on behalf of the OYSAN shall be bonded.

C. **Workers Compensation to the Extent Required by Law**

OYSAN will participate in the Ohio Worker's Compensation program.

D. **Directors and Officers Liability insurance will be maintained.**

F. **Liability and Medical Insurance for Olympic Development Camps and Other Activities will be maintained.**

G. **Other Insurance Deemed to be Appropriate by the Executive Director and which is Subject to Approval by the Board may be proposed.**

H. **Office Contents Insurance**

Property and casualty insurance protects against damage or destruction to the items owned by the Association. This insurance should be obtained to protect the office equipment and furniture of the Association. It can also extend to field equipment of local associations that maintain fields and practice areas.

V. Office

A. **General Responsibilities**

1. The Office shall be located within the boundaries of Ohio North. The Executive Director will maintain supervision of Office activities and personnel. The OYSAN President is the direct supervisor for the Executive Director.
2. The Executive Director shall hire and discharge employees and shall set the salaries of employees other than her/himself and employees under contract within the range approved by the Board of Directors.
3. The Office shall secure the printing and distribution of all OYSAN official stationery, forms, business cards, flyers and booklets.
4. The Office shall be permitted to maintain a stock of merchandise bearing the OYSAN logo for sale.
5. The Office shall prepare name badges and name signs for meetings. It shall produce certificates and awards and cause the manufacture of medals, patches, trophies, and all other material that bears the official OYSAN logo.

B. Administration

1. Travel Procedures
The Office will receive from board members, employees, volunteers, coaches and others requests to travel. The Board of Directors will approve all travel at the Association Expense. All travel arrangements shall be made through the state office by the secretary unless approved otherwise by the OYSAN President.
2. Reimbursement Procedures
The Office will print and supply reimbursement forms for OYSAN officers and committee persons. Reimbursement forms will be reviewed and approved by the appropriate Program Manager and sent to the Office for payment.
3. Registration
 - a. The State Registrar will receive registration figures, forms, and funds from member leagues and other associated bodies, will compare funds received to figures reported and will deposit payments.
 - b. The State Registrar will maintain paid registration totals and present yearly reports to the Board of Directors.
4. Meetings
The Office will coordinate arrangements for all national, regional, committee and directors' meetings. The goal is to minimize volunteers' work in making meeting site arrangements. Hosted meetings will involve cooperative efforts between the Office and the host organizations.
5. Supplies
The Office will order and maintain supplies of items that are not available for general sale. These include state championship medals, patches, and trophies, presentation pins, plaques, and awards for use by Association; operating manuals, procedure statements and other guidebooks designed for state use. Also the Office will store and supply registration forms, player passes, game reports, and other existing forms. The following items also shall be made available to affiliated leagues and clubs. These are in addition to printed materials dealing with specific programs, training and practice aids, hosting tournaments, traveling teams, etc:
 - a. Sample provisions for corporate charters.
 - b. Sample bylaws, constitutions, rules.
 - c. Risk Management (KidSafe) materials.
 - e. Sample appeal notice forms.
6. Word Processing. The Office will provide maintenance and editing of the following items:
 - a. Directory
 - b. OYSAN Charter, Bylaws and Rules
 - c. Policy statements
 - d. Instructional materials, manuals, procedure aids

8. Appropriate committee chairmen will supply the original of materials, the changes to be made or suggestions for changes and formats and the Office will make the changes, print and supply the revised copies.
9. Bookkeeping. The Office will perform the bookkeeping of the corporation.
10. Printing. The Office will accept requests from affiliated leagues and clubs for interpretations in the use of the new logo and supply copies of the logo for approved uses.

C. Fund Raising

1. Sales Items. The Office may maintain items for sale to members. Items for sale shall be of good quality, manufactured by reputable businesses available to supply quantities on time. Markets will be tested for each item, and any sale items will be presented for Board approval before being offered to the public. Items will be priced competitively with the general market. These shall include those items not available for general sale to the public, items not in competition with OYSAN license holders, and items which support the image and goals of OSYAN such as:
 - a. OYSAN pins, patches, stickers
 - b. OYSAN neckties, scarves, belt buckles
 - c. OYSAN soccer balls
 - d. OYSAN publications not otherwise available free
 - e. Other published soccer books and materials
 - f. "Official" t-shirts, sweaters, umbrellas, bumper stickers, clocks, key chains, tie clips, cups and mugs, etc.

D. Policy Implementation

1. Appeals, suspensions and litigation. The Office will supply resource materials for all levels in making or handling appeals and suspensions.
2. Statistical studies. In connection with bookkeeping, travel approval and registration, the Office will prepare graphs, charts and other statistical interpretations of the soccer program for use by state, local and national officers.
3. Meetings. The Office will arrange meetings, Board of Directors meetings, and others as directed. It will prepare and publish the agenda of meetings on the Chairman's or Secretary's direction.

The following information is gathered to assist member leagues and clubs in making application to the Federal Government for the purpose of obtaining a 501(c)(3) non-profit, tax exempt status by the Internal Revenue Service.

A. Federal Tax Status

1. OYSAN has been granted Section 501(c)(3) non-profit, tax exempt status by the Internal Revenue Service. Contributions and gifts to USYSA are tax deductible to the extent applicable under current law. Like all others granted such status, OYSAN must file an annual information return with the IRS. Each state and local association with §501(c)(3) status must also file a return. Failure to file a return can lead to reclassification of the group as a private foundation. This can lead to severe tax problems for the organization as well as subject it to fines.
2. OYSAN must file wage reporting documents just as any business might. Failure to collect and pay social security and income tax withholding would subject the organization to penalties and interest. Failure to properly handle wage taxes can lead to personal liability for the organization's directors, officers and administrators for payments due IRS.
3. OYSAN must also report payments to individuals contracting work with the association if payments exceed \$600.00 per year. This includes persons paid for working at state camps.
4. The OYSAN §501(c)(3) exemption is not an umbrella for other soccer associations. Each

must apply for its own exemption.

5. Frequently, local soccer organizations apply for §501(c)(4) status. This generally happens when the attorney or accountant handling the application does not realize §501(c)(3) is available. A §501(c)(4) organization does not pay income tax, but donations to it are not deductible. Also a §501(c)(4) organization will fail to qualify for other tax and postal privileges that are available for §501(c)(3) groups.
6. To assist member leagues, the following are sample responses to the questions on the §501(c)(3) application. These responses were prepared by the General Counsel of USYSA.

. Non-Profit Status

1. OYSAN has a non-profit mailing permit issued by the U.S. Postmaster in Cleveland. Approval of permits is at the discretion of the local postmaster. A permit is issued only for the location of that postmaster; therefore OYSAN can presently mail by bulk rate only from Cleveland.
2. Each local association must make its own application for a non-profit rate permit. The association must already have its §501(c)(3) exemption before applying for the non-profit rate. The USYSA General Counsel strongly recommends that the application form and supporting documents be personally delivered to the local permit supervisor.
3. The non-profit rate is good only for bulk mailings of at least 200 pieces of mail. Special and somewhat complex rules apply to bulk mailings. The post office periodically offers a free seminar in preparing bulk mail. Check with your postmaster for times and dates.
4. A state or local organization may be required to collect sales tax on sales of items to its constituent members. Check with your own attorney or tax authority on requirements and procedures before embarking on a merchandise or publications sales program.

B. State Tax Status and Sales Tax

1. Associations in states which do have state or local income taxes must follow the reporting requirements of those taxing authorities.
2. OYSAN is exempt from payment of sales tax in Ohio. Special exemptions for events can be obtained on a case by case basis in some states. Exemption can be granted in some states based on OYSAN's tax status. The OYSAN sales tax exemption cannot be used by any other soccer body. OYSAN is required to collect sales tax on merchandise sales made in Texas. ~~A tax report is filed with the Tennessee Department of Revenue by the National Office each quarter.~~
3. OYSAN is exempt from Ohio Sales Tax by using a form for that purpose when making purchases.
4. A league may be able to obtain its own sales tax exemption. The organization must already have a §501(c)(3) exemption from the IRS before it can apply to the state. A sales tax exemption is only good in the state that granted it.

C. Social Security

Employees of USYSA, OYSAN and local associations are subject to withholding for social security taxes in the same manner as employees of profit businesses. The employer must make certain someone (administrator, office manager, treasurer or some other officer) is responsible for insuring the proper calculation of withholding and timely deposit of the tax funds.

D. Employment Security and other Taxes

OYSAN will comply with all legal requirements for Employment security and other taxes.

E. Benefits

403 b Annuities

OYSAN will comply with a laws relating to tax deferred annuities under the law as 403 b annuities. Those annuities, which are by contract, will be automatic each year. The board will address other annuities in annual Corporate Resolutions.

Health, Dental and Vision

Other benefits will be handled in the manner required. Please note that the OYSAN Personnel Manual also governs in this area.

Assistance for Leagues

Proposed Language for §501(c)(3) .I. Exemption Application

The following are suggestions for responses to the questions on Internal Revenue Service Form 1023, Application for Recognition of Exemption Under Section §501(c)(3) of the Internal Revenue Code. Be sure the application is reviewed by your attorney or a certified public accountant before filing. Let that person also be your representative talking with IRS should any questions arise from your application. References in this document are to the parts and questions contained on Form 1023. Since the format of the form changes from time to time, please make certain that you match the answer to the correct question.

Part 1 Identification

1. Full name of organization. In this blank put the name of your soccer association as it appears on your Corporate Charter, if you are incorporated. If you are not incorporated, fill in your name as it appears in your constitution. Do not abbreviate words which are spelled out in your charter or constitution.
2. Employer identification number. In this blank insert the employer identification number which has been assigned to you by the Internal Revenue Service. If you do not already have an employer identification number you must file an application to IRS for the number. You need not wait to receive the number before submitting your Form 1023. If you do not have a number, follow the instructions and complete and attach a Form SS-4, and in the block for question 2 type "Form SS-4 Attached".
3. A & B. Insert the address of the organization where you wish to receive the response from IRS. Or insert the principal business address of your association. A question to the right of block 3A asks if you are applying under Section 501(e) or 501(f). Do not check either block.
4. Insert the name and telephone number, including area code, of the person the IRS Examining Agent should contact if there are any questions about the application. This name should be your reviewing attorney or CPA who has completed the application who will be most familiar with what it says.
5. Month the annual accounting period ends. Your first fiscal year probably begins on the first of a month. In block 5 insert the name of the previous month.
6. Insert your date of incorporation as it appears on the charter. Or insert the date that your constitution was formally approved if you are not incorporated.
7. The activity codes submitted with the USYSA application for exemption were 300, 149, and 349. Check the instruction sheet for your Form 1023 to see if these codes are also the most suitable for your organization.
8. A & B. Chances are your organization has never filed income tax returns, in which case, check the 'no' block. Otherwise the questions are self-explanatory.

Part 2

If you are incorporated put an X in the block before the word "corporation". If you are not

incorporated put an X in the box in front of the word "other". Many applications for exemption run into trouble because the entity submitting the application fails to attach the required copies of the Articles of Incorporation and Bylaws or copies of the Constitution and Bylaws. Part 2 of the application calls for the attachment of those documents. Please be certain to include them in your application, or it will be delayed in approval. The copies of the Articles of Incorporation should include a copy of the charter signed by your State's Secretary of State and showing State Seal. It is not necessary to obtain a certified copy of the charter from your Secretary of State. A copy of your original charter will do. The copy of the Bylaws must contain a statement and signature from your organization's Secretary saying that the preceding is a true and accurate copy of the bylaws of your corporation.

Part 3 Activities and Operational Information

Question 1 Here are suggestions for a response to Question 1 concerning the sources of financial support in order of magnitude:

1. Membership fees from youth players at \$_____ per player per year.
2. Contributions, grants and sponsorship from corporations and other business organizations.
3. Membership fees from affiliated youth soccer associations.
4. Licensing agreements with businesses. You may also wish to add a sentence as follows:
"There is no mass solicitation for financial support or other regularly used format for solicitation of sponsorship."

FROM THIS POINT ON, IN THIS SAMPLE, I WILL PUT THE PART NUMBER AND QUESTION NUMBER AND THE SUGGESTED RESPONSE, WITHOUT A REPETITION OF THE QUESTION ITSELF

Part 3

Question 2

The organization does not have a program for fund raising. The corporation is generally approached by other organizations and businesses which wish to participate in the program or through personal contact by officers, directors, and members of the organization with potential sponsors and contributors.

Question 3

Be certain to modify this response to suit your situation. OYSAN has operated for the past several years as a state association member of the United States Youth Soccer Association. *Or as a local league member of the OYSAN.* The United States Youth Soccer Association, in turn, is the youth division of the United States Soccer Federation. The OYSAN was incorporated in Ohio on February 3, 1988 as a separate corporation from the United States Youth Soccer Association, Inc. and United States Soccer Federation, Inc. Although it maintains an affiliation with the United States Youth Soccer Association and United States Soccer Federation (the national governing body of soccer in the United States), the OYSAN will perform its operations under separate, and apart from, the United States Youth Soccer Association and United States Soccer Federation. This includes a separate maintenance of any employees and assets. Both the United States Youth Soccer Association, Inc. and United States Soccer Federation have been granted 501(c)(3) status by the Internal Revenue Service. [If you are a local association, include reference here to the state association's tax status] The organization promotes uniformity in the rules of play and the organization of the sport of soccer in the state of Ohio. It provides directional and instructional materials for the training and selection of players who ultimately represent the United States in amateur international and national soccer matches including the World Youth Cup. It participates in an annual workshop meeting sponsored by the United States Youth Soccer Association, Inc. for the training of your soccer administrators, coaches, referees, and other interested parties. It participates in modifications to the International Rules for the support of soccer which are applicable to youth players in the United States. It reviews and approves travel by youth amateur soccer teams from its state to other

states and other countries to play affiliated youth amateur teams in its state. It provides registration forms and membership cards and player passes for the registering of players and for identification. It provides formats for operating procedures, bylaws, charters, design of fields, and other instructional materials. It supervises a state [or local] tournament for the identification of state [local] champion teams who participate in regional and national tournaments. It selects players from its state to participate in regional and national training camps for those players identified as superior players who may ultimately represent the United States in national or international amateur youth soccer matches. Actual organization and provision of facilities for these tournaments and camps are made by local organizations, colleges, or other entities who bid for the privilege of hosting.

Question 4

A and B

On the form, I suggest, you state "see attached list" and on a separate blank sheet of paper headed Part 3 Question 4 (a) and (b) you should list the names and addresses of each of your officers and directors. You do not need to list specialized knowledge for each individual person. Instead use the following statement: "Each of the above have been elected to hold their office on the basis of their previous experience and training as youth soccer coaches, referees, or administrators. Their duties are typical of organization officers and are stated in more detail in the bylaws of the organization which are attached to this application."

C through F

Your answer to all of these questions should be no. If you have any doubt concerning the response to any of Question 4's subparts, you should talk with your local lawyer or you may call the USYSA General Counsel.

Question 5

Mark both boxes "yes" and beneath put "see attached explanation". On a separate page titled Part 3, Question 5 insert the following paragraphs:

The organization has a special relationship with the United States Soccer Federation (the national governing body of soccer in the United States) and the players of the United States and corresponds with the youth division of the United States Soccer Federation [and the state association]. As such our organization has voting rights within the [state association] United States Youth Soccer Association, Inc. and the United States Soccer Federation. Certain officers and directors of our organization may be committee chairmen or may hold other positions in the United States Soccer Federation and the United States Youth Soccer Association, Inc. [and the state association]

Through its affiliation with the United States Youth Soccer Association, Inc. and the United States Soccer Federation, our organization is affiliated with Federation Internationale de Football Association (FIFA), which is the international governing body of soccer. The rules of play of the game are set by FIFA, but the rules are modified by the United States Youth Soccer Association, Inc. and our organization with regard to the play of the game in our state by players under the age of nineteen years.

The United States Youth Soccer Association, Inc. exercises a measure of control over its member state youth soccer associations in that the constitution and bylaws of each member state association must be approved by the United States Youth Soccer Association, Inc. Also, member individuals and organizations have a right to appeal any complaint or grievance which they may have at the local and state level with the United States Youth Soccer Association, Inc. at various levels of appeal set out in the bylaws. These rights of appeal are required as a result of United States Soccer Federation's membership in the United States Olympic Committee.

Question 6

Check no.

Question 7

- A. "Office equipment, registration cards, registration materials, and pamphlets promoting the aspects of the sport of soccer."
- B. None

Question 8

- A. See response to Question 3.
- B. Check yes and insert the following:
Charges are based on the anticipated operating expenses of the organization to provide the services it provides. The present fee for each member is \$_____ per year. The present fee for an affiliated local association is \$_____ per year.

Question 9

Check no.

Question 10

- A. Check yes and insert the following which will probably need to be attached as a separate page: "A player who registers to play soccer with a local soccer program participating as a part of the state youth soccer association pays a \$_____ membership fee. A local association which has applied for membership and whose charter, constitution, bylaws, and rules of play (as may be applicable) have been approved by the Board of Directors of our organization can be admitted to membership, and the present fee is \$_____ per year.
- B. Our organization periodically has provided pamphlets to affiliated local soccer programs for the promotion of the sport, but there are no present or proposed efforts to attract members to the organization.
- C. Check the no box and add: "Services of the organization in providing for direct assistance in operating local soccer programs or those applying for affiliation. Printed materials concerning the coaching, refereeing, playing, or administration of the sport are not limited to members and are available on request to anyone. Opportunity to tryout for regional and national youth teams or to represent the United States in international competition is not limited to members of the organization, but is limited to citizens of the United States."

Question 11

Check no.

Question 12

Check no.

Question 13

Check yes.

Part 4

Question 1

Check no.

Question 2B

Check the box preceding 107(B)(1)(A)(vi).

Part 5

In this part you are called upon to provide financial data for the previous operating period, or if you have recently incorporated insert your estimates for the next operating period. The answer to these questions in part 5 will have to be provided by your treasurer. Feel free to make any reference to "an attached budget" for any detailed schedules.

Part 6

Check the block yes No. 7 "Is the organization formed to promote amateur sports competition?" Schedule G should then be completed by putting an X in the box for yes and "See attached sheet for answers to these questions.". The answer to question 2 should be "see attachment". The answer to question 3 should be no. In your attachment to Schedule G you should state language similar to the following: "The organization does not directly provide facilities or equipment for the use of amateur athletes engaged in national or international sports competition, but it does provide the organizational framework for putting together teams, arranging for space to train and compete, and arranging for third parties to contribute money or material or supplies for such activities. The organization oversees applications by teams within its state [area] to travel to other states and to foreign countries to play in competition, and it reviews and approves the applications to host teams from other states and other countries to play within its own state [area]. The organization participates in the programs of the United States Youth Soccer Association, Inc. The organization participates in the selection process for players to be trained and reviewed by the national youth coaches. The organization provides direct instruction and written materials for the training of youth coaches and referees and for the development of the sport for all ages of children interested in the sport of soccer, both boys and girls.

Part 7

It is not necessary to complete part 7 since your application is not for a definitive ruling.

If your attorney or someone other than an officer of the corporation is going to represent you in dealing with the IRS or is named as the person to contact on the first page of the application, you will need to complete a Form 2848 Power of Attorney. If your representative is not a lawyer, you will need to insert the number indicating the type of individual or relationship the individual has to your organization. It is highly recommended that you obtain the services of a local counsel or a local accountant to review your application and act for you in its dealings with the Internal Revenue Service.