

THEFT PREVENTION

Embezzlement, fraud, theft in the concessions stand, these were the number one reasons local leagues called upon their District Administrator before the dawn of the Danny Almonte era that expanded tournament affidavits.

A local league can take steps to prevent these problems, but it has to be addressed by the Board. Whom do you trust? Your best bet is no one. If the opportunity to steal arises, someone is bound to take advantage of it. The prosecution is difficult, and recovery of funds is highly unlikely unless league records are in order. Prevention is the best cure.

1. Establish a checks and balances system that works for your league. Make it a well understood and publicized policy. Write those procedures into your local league rules/by-laws/standing rules. Implement it!
2. The Treasurer is a uniquely responsible position on your board. Integrity is one thing, but don't give him/her opportunity. No "dual positions". Whoever collects money should not disperse the money. An Audit Committee has no members who are authorized signers on your bank accounts.
3. Banking – there is a lot of options out there, here are some of the best ideas. Pay the fee to have cancelled checks returned with the bank statement. Have the bank mail two statements to two different board members, the Treasurer and the Audit Committee chairman. On-line banking with access to President, Treasurer and the Audit Committee Chairman. Having two signatures required is the best practice for leagues, but one rarely observed by vendors or banks.
4. Audit – a big, scary word, but it's the key to prevention. An Audit Committee, independent of the Treasurer (or whoever reconciles the bank account), should audit the reconciliation each month. Verify that the checks have been endorsed by the person or business that the check was made out to. Did the check clear the bank for the same amount shown in the Treasurer's general ledger? If the Concessions Manager has a separate bank account, have the Treasurer audit receipt amounts compared to checks written against the bank statement.
5. Bookkeeping is essential for any organization. Budgeting for next year, knowing what money is available, knowing where your money is spent, doing the annual tax return - all depend on reliable bookkeeping. Quickbooks© or Quicken© are user-friendly tools. With this software, monthly reports of Balance Sheet, Profit & Loss and General Ledger can be reproduced for Board meetings. The "Open Book" policy is essential to ensure opportunity for theft is limited.
6. Maintain records, compare last year's profit in the concessions. Two years ago the concessions provided a third of the local league's budget, why isn't it making any profit this year? (Keep your financial records for at least three years, regardless of changes in board membership.)
7. Use a cash register in the concessions stand. Know what the sales should be and compare it to the deposits made to the bank account. Have one-deposit-per-day whenever the concessions is open. Match the total sales from the register to the deposits showing on the bank statement.
8. Focus the Board's attention on Theft Prevention. With the hectic pace of running a Little League, it's usually the last thing on the agenda. That's when money gets "lost".