

PROTECTING YOUR ASSETS

All of our units have assets that belong to them. In some cases, it may be camping equipment, trailers, tents, etc., or maybe it's your Pinewood Derby Track, Space Derby set-up, Rain gutter Regatta, and of course, cash.

FIRST, LET'S LOOK AT CASH:

If your unit charges a fee (above the national membership fee), which many do, how is that safeguarded and what is it used for? Assume your unit charges \$35 above the membership fee, and you have 40 boys in the unit, that is \$1,400; now assume that you sold \$10,000 worth of popcorn and received \$4,300 in commission; now you have boys paying for day camp, resident camp, and Scout camp, and let's say that's \$3,000 - \$5,000 - you now have a bank account of nearly \$10,000 to operate your for the next year. GREAT!! But what happens if someone takes your boys' hard-earned money? Think it doesn't happen? IT CAN HAPPEN AND IT HAS HAPPENED.

There are several simple things you can do to safeguard your unit treasury.

1. Be sure to start a bank account (checking or savings) with a local bank. To start the account, you will need a tax ID number. In some cases, your charter partner may allow you to use theirs, but most often you will need to establish your own number. To do so, go to www.irs.gov and download form SS-4 (Request for Employer identification Number) and follow the instructions to file the form. Once you receive your EIN, you can go to the bank and open your account.
2. ALWAYS insist on two signatures (of unrelated parties) to write a check or make a withdrawal from a savings account, or have a cashier's check written.
3. Insist on receipts anytime money changes hands – someone pays dues, gives you a camp deposit, gives you popcorn money – a written (in duplicate) receipt should be provided to the person giving you the money. The written receipts will also help you remember what the money was for when you make your deposit!
4. ALWAYS have the monthly banking statement sent to someone in the unit that does not have check-signing authority. They can open the statement; review the account activity, and then forward to the treasurer for processing.
5. Anytime you change treasurers, do a simple audit on the financial records of the unit. You can use a simple program like QuickBooks or Quicken to manage your account.
6. ALWAYS have written treasurer reports at least quarterly that are given out at the unit committee meeting. Monthly is even better, and with software mentioned in 4, it is really easy to do.
7. At least annually, present a full accounting report to your charter partner, including how much you took in, how much you spent, what it was spent for, and where the account is located and who is authorized to sign on the account.
8. If your unit has a "custodial account" at your local Scout Service Center, be sure to keep the council informed as to who can charge on that account for your unit, and update it at the time of your recharter (usually December).
9. If you suspect any charges or expenditures that are not legitimately for your unit, seek help immediately! Call your chartered organization representative to let them know what is happening, and contact your District Executive and ask for his/her guidance.

10. Remember, that any monies that are in your account belong to your charter partner, should your unit cease to be a Scouting unit. These funds can be used to re-start your unit when necessary.

NOW, LET'S LOOK AT EQUIPMENT

Safeguarding your unit equipment is as important as safeguarding your unit treasury. In some cases, it may be more important in that the amount of money invested in tents, troop equipment, patrol equipment, could easily amount to \$10,000 or more. Here are some tips to help you safeguard these assets:

1. Have a complete written inventory of all equipment owned by the unit
2. Know where all the equipment is stored and its current condition
3. If possible, detail when and how the equipment was acquired and how much it cost when you acquired it.
4. Know who has access to the equipment – who has the keys if it is stored in a secure location
5. As new equipment is purchased, know how much you paid for it, where it was purchased from, and who has the records for the purchase
6. At least annually inspect all equipment and determine its usable lifespan; develop a replacement plan for equipment
7. A good set of photographs of your equipment is also very important – particularly if it gets stolen and you have to provide evidence of what it looked like – or, if you have to file an insurance claim (see 9)
8. You probably will be very surprised at how much equipment you have and how much it cost to buy it, and more importantly, to replace it. So.....
9. Consider insurance – a good “renter’s insurance” policy or a “personal property” insurance is a wise investment in safeguarding your equipment. Ask yourself “If everything were destroyed or stolen, could we afford to replace it?” Chances are, no you could not. Remember, that if the equipment is stored in someone’s garage, barn, etc., and it burns down, their insurance will pay to rebuild the structure, but it does not cover the contents of others (the unit).
10. If your unit owns a storage facility, or “Scout House”, you need to insure it – the BSA does not provide this type of insurance on facilities. If it burns to the ground, can you replace it without insurance? Probably not! Contact your local insurance broker (you may even have a parent in your unit that is a broker) and ask him/her for assistance in filling your insurance needs.
11. Trailers – many of our units have utility trailers that they own to haul equipment to and from various activities and camping. These, too, need to be insured, and also registered with the Department of Motor Vehicles. They will need to be insured for loss of the trailer (if it burns, gets swept away in a flood, or stolen), and also for cause of damage to others (vehicles, etc.) as a result of usage. Again, check with your local broker.

Keep in mind that the source of most of your funds and equipment probably came from the boys in your unit, and they deserve our best in keeping their investments safe.

If you have any questions regarding any of the information presented here, please contact Ron Walsh, our Program Director and Risk Manager at 686-5167.