

All Star/Travel Teams and Fundraising/Sponsorship Money

We don't give legal advice on what is or is not allowed under government laws, as they pertain to nonprofit organizations. Leagues should consult legal experts for more detailed information, however, here are some guidelines that should be safe to use:

There are generally two sources of monies raised for teams, fundraising and sponsor, and these can be handled (credited) differently. No matter which type of money is obtained, they should really be disbursed under the same guidelines (discussed below), but may be credited differently.

Fundraising money is money raised for the team. It may be a car wash, a raffle, discount card sales or whatever. These team fundraisers should go into the team's account and be disbursed to the team evenly unless the team notified all members in advance that a particular fundraiser is based on participation. Obviously, a person can always elect not to receive any or only limited funds from the account, thus raising the disbursements to other players.

Sponsor money will be either for the team or for a player. A team sponsorship would be when a business donates to the team. An example of a player sponsorship would be that grandma or some business wants to give a tax deductible donation to "Sally". This money can be used to assist "Sally" with the allowable costs of being part of the team.

Excess "player sponsorship" money should always be offered back to the sponsor before being placed in the team's general account.

No matter how the money comes in there are things that should and should not be done with that money. Here are some examples of both:

Can do ---

- Cover player fees
- Reimburse for reasonable player hotel expenses
- Provide for a reasonable meal stipend when away from home (players only)
- Reimburse for reasonable transportation expenses of the player
- Reimburse for reasonable expenses of a non-parent coach

Cannot do ---

- Provide payment to a player or a parent
- Reimburse parent expenses
- Provide gifts
- Reimburse for unreasonable expenses
- Reimburse for past expenses (expenses incurred before the fundraising effort began or expenses not identified as reimbursable)

**One of the big questions is always "what do we do with excess money?"
See the below example:**

Now the National tournament is over, Sally had enough "player sponsorship" money to cover her hotel, food and transportation expenses for the tournament and the \$200 player fee that all players had to pay to be part of the team way back when. Some players only had enough "player sponsorship" money to cover part of their expenses and others had no "player sponsorship" money. Now the general team account looks to start reimbursing players still having outstanding expenses. The account has \$3200, the team had 12 players and since "Sally" covered all of her allowable expenses, the team now has 11 players eligible for funds. \$3200 divided by 11 players would be \$290.90 per eligible player. Now the players still needing funds can have outstanding reasonable expenses reimbursed up to \$290.90.

After the team makes the final disbursements, the account has a balance of \$750. How should it be used? I think it's time for a team party to celebrate the wonderful season, but after the party, where no gifts were given to players, the account still has \$111.

So the team's final act is to make a \$111 donation to the leagues general fund while thanking them for all the support the league has provided them throughout the year. They also ask that the league uses that money to assist players that may not be able to afford to participate in the rec league next year.