

Where is the Money?

By Donald C. Collins

Q My assigner hasn't paid me and some other officials for games we worked several months ago. Phone calls to the assigner are not being answered. I checked with the league and it said the money went to the assigner to be distributed. What steps can we take to get the money owed?

A Financial irregularities plague small organizations. Each year, some youth athletic leagues and a large number of other charitable organizations find themselves embroiled in financial messes ranging from embezzlement to financial mismanagement. If you Google "embezzlement nonprofit," you'll be surprised at what you find. Still, one should not assume the worst.

An official who hasn't been paid should contact his association's board of directors. If there's no board, the official should contact the assigner. Putting the board or assigner on notice gives them a chance to assist or explain.

Quite often there are good reasons for delays. Some associations want to get payment from all clients so they can send out one check; it's just more efficient. Those associations will often have no problem meeting an official's

request for payment. Sometimes a phone call solves the problem.

Unfortunately, sometimes there is no good reason for a delay. When that occurs, a member should ask association management to verify they've received a payment from the client. A member can check with the school, but that's not enough. Just because a client says they've paid doesn't mean the association has the money. In some bureaucratic organizations, a client may have requisitioned the funds but the payment is tied up in a school or school district's accounting office.

If an association refuses to pay or cannot pay, the easiest solution is to go to small claims court. Small claims courts exist for cases where one person is suing over a small amount of money, generally less than \$10,000. Often small claims courts don't allow attorneys, and have very informal procedures.

A member may have problems collecting a small claims court judgment if the assigner has not paid a large number of officials or if the assigner simply lacks the funds. That can happen when an assigner commingles officiating money with personal or business funds, and has a financial setback. That can create complexities that go well beyond small claims courts, and could end up with

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the unpaid official sitting in a line of creditors in a bankruptcy proceeding.

Of course, it's best not to let things reach the point where an official has to go to court. Indeed, an association has a legal duty to prevent that. The best way to do that is to make sure the board gets regular reports from the person handling the money; puts in controls to make sure one person can't spend the group's money; has an operating reserve; has audits; reports to the membership; and develops pay policies that account for slow client payments.

There's no good solution if an assigner or treasurer embezzles funds or commingles them with his own funds. However, an association that puts in fiscal controls greatly reduces its odds of being in such a situation.

Donald C. Collins is executive director of the San Francisco section of the California Interscholastic Federation. He is a longtime basketball official and lawyer. This material is for informational purposes only and is not legal advice. □

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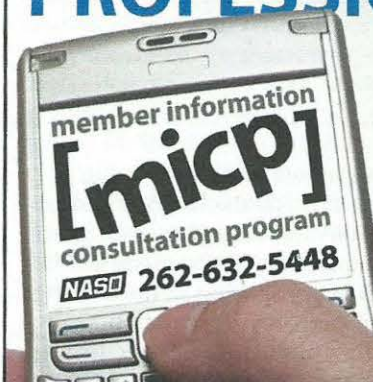
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