



## Debit Cards, Online and Mobile Banking

Debit cards, online banking, and mobile banking are very popular methods to handle finances. Banks encourage paperless banking and users can see finances from a smart phone while on the go. These methods of banking are convenient and quick ways to check balances, pay bills and forward money to others.

How does this trend effect bowling? More and more league officers are looking for convenience for paying league bills, making deposits and an easier way for the members to pay league fees. Please keep in mind when using online services, you must comply with USBC Rules and Bonding requirements.

Below are some commonly asked questions regarding debit cards, online and mobile banking.

1. Can debit cards be used to pay league expenses?  
Debit cards may be used to pay league expenses provided the league board of directors (officers and team captains) have approved the payment of the expense and two authorized officers sign for the transaction. We suggest debit cards be limited to purchases and the holder(s) not be allowed to use the card for cash withdrawals.
2. How can two officers sign for a debit card transaction?  
The officers must sign the receipt authorizing the charge, no differently than two officers signing a check. Once a receipt is given, two authorized officers must sign the receipt. In the case where no receipt is given, a receipt for the purchase is created showing the vender, date and place the where the purchase was made; two authorized officers must sign the warrant.
3. Can online banking be used to reimburse an officer for approved expenses?  
Yes, provided the expense is approved by a majority vote of the league board of directors and two officers sign a receipt for the withdrawal.
4. Can the president go online to verify the account?  
Yes. Online banking is an acceptable method to obtain the monthly statement to properly verify the league account. Again, we encourage limited accessibility when using online banking.
5. How can leagues use online and/or mobile banking for league members to pay league fees?  
There are different methods in which online and/or mobile banking can be utilized by a league. Leagues may adopt any of the following systems of online and/or mobile banking.
  - a. Direct Payment  
The most direct method is for league members to pay league fees by using a mobile app that allows a league member to transfer funds to the league account using a smartphone or other device. Using this method is basically paying cash because the funds come from the league member's bank account and are deposited into the league account without sharing bank account information with the league. Some popular apps for this are Venmo, Apple Pay, and Zelle.





b. Third-party online/mobile banking

Third-party online/mobile banking is a service or bank that accepts direct payments and credit card payments. The service or bank holds the league funds on behalf of the league. There are two different types of third-party banking; one in which a league officer(s) has access to the account and can view the account at any time and the other does not allow league direct access to the account. PayPal is a long-standing example of a third-party digital company that allows access.

Use of a third-party banking service has no league control mechanisms and is not recommended by USBC. There is no control over where the funds are held and when the league will receive funds collected. Using this type of service may jeopardize the league funds.

The USBC Rules concerning league funds apply when using third-party banking.

- A monthly statement must be provided to the president of the league showing deposits and withdrawals for the president to verify the league account.
- Two league officer signatures are required to withdraw funds. Two league officers must sign the withdrawal receipt.

Funds held by a third-party are not bonded by USBC until deposited into the league account.

**NOTE:** USBC leagues considering or using a third-party online service to collect league dues without league officer access risk violation of USBC Rule 17b-4 and invalidation of bonding coverage. This risk is created when league funds are controlled by a third party who is not a bonded league official or a FDIC insured bank.

If the funds collected by the online service are not deposited in the league account for whatever reason, USBC bonding does not cover the loss and the league officers could face disciplinary charges under 17b-4 and/or 17b-5 for violating USBC financial rules.

