

Three Fires Council UMC re-charter presentation

United Methodist Church Partnership

- **100 + Year Relationship**
- **A strong desire by church leaders to preserve our Relationship**
- **Significant contribution to the Victims Trust**
- **6,600+ Chartered Units**
- **132,751 Youth Served**
- **78,099 Adult Leaders**
- **A New Model – Affiliation Agreement (“AA”)**
- **Facilities Use Agreement (“FUA”)**

Local Council Unit Options for UMC

1. Council Registered Units

- Affiliation Agreement (“AA”) or Facilities Use Agreement (“FUA”)**

2. New Chartered Organization

- Meet at UMC or new Location**

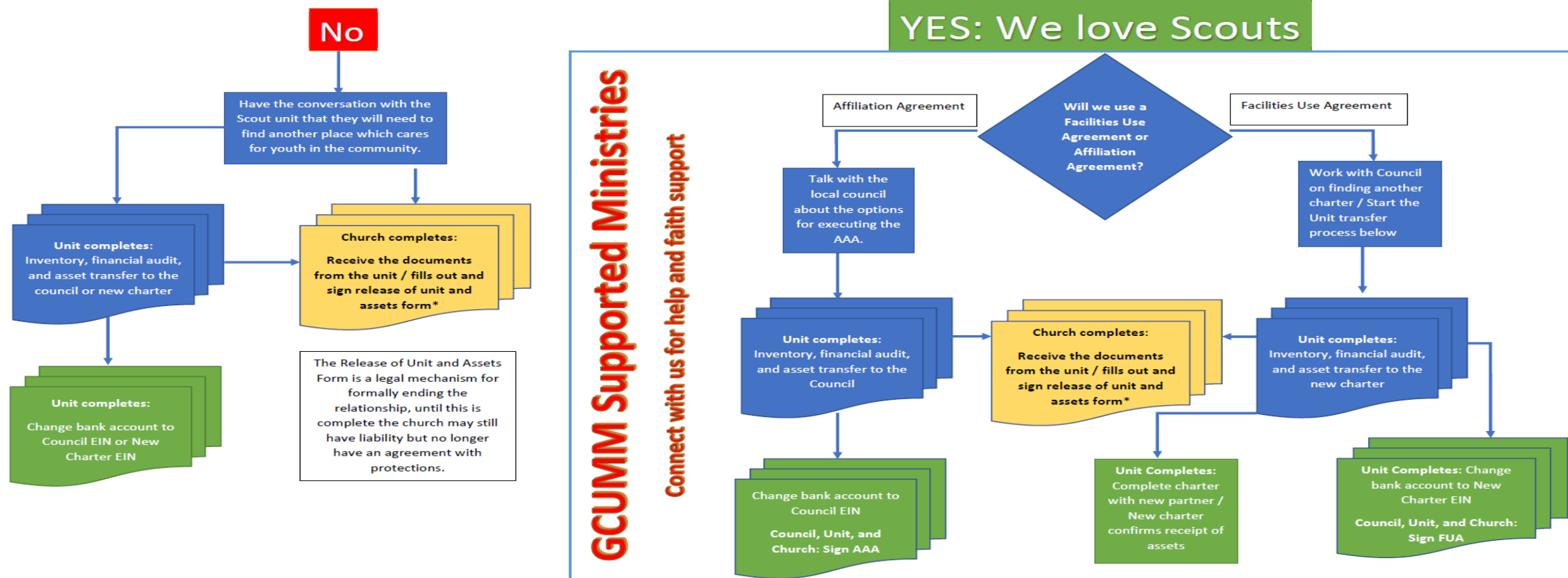
3. Parents Group

- Provide a Traditional Charter Agreement**
- FUA with the UMC**

Move Forward Decision Tree for UMC Churches and Units

THE BIG QUESTION: Do you want to continue to live in ministry to youth through Scouting?

If you have questions about this process or the reasons for any direction, we are here to help. www.MethodistScouter.org/a-new-agreement/ or SScheid@GCUMM.org



AAA = Annual Affiliation Agreement, FUA = Facilities Use Agreement, Charter = traditional owner of the unit, responsibilities, and assets

*These forms are delivered to the local council



We support you. Center for Scouting Ministries GCUMM 6/30/2022 Rev.3

#ADVENTUREON

Affiliation Agreement Highlights

- **A new service model between the BSA and UMC**
- **Four Parties to the Agreement**
 - **BSA National**
 - **Local Council**
 - **UMC as the Affiliated Organization**
 - **The Unit**
- **December 31st Implementation Timeline**

United Methodist Church Role

- Support Scouting through its prayers, faith-based youth ministries , financial gifts and volunteer service
- Promote Scouting in church publications
- **Provide Meeting Facilities - store reasonable equipment**
- **Provide Property Insurance to protect against loss**
- Support the Unit Committee and assist w/annual recruitment
- Respect the BSA Brand

Local Council Role

- **Agrees to Own the Unit - A board decision & new business model**
- **Coordinate w/UMC and unit leadership to transition to Council Registered Unit (“CRU”)**
- **Provide Scouting Resources - training, camps, professional staff, fundraising and recruitment**
- **Review and select ALL adult leadership – fill key positions**
- **Submit Criminal Background Checks on all leaders in accordance with BSA policies – *Before working with youth. (SE designee)***
- **Require & Track YPT for all Unit Leaders**
- **Provide EIN# to Units and support proper fiscal policies –bank acct.**

Local Unit Role

- **Work in good faith w/UMC & council to transition to CRU – using approved Affiliation Agreement & FUA**
- **Conduct the Scouting program consistent w/BSA Bylaws, R & R, fiscal policies, and brand guidelines – be good stewards of resources**
- **Use program to accomplish Mission of BSA and faith-based youth ministries**
- **Verify all adults complete YPT and CBC before participating with youth.**
- **Maintain Two-Deep Leadership at all times**
- **Renew Affiliation Agreement/FUA on-time, pay annual membership fees, insurance cost and maintain accurate registration records**

BSA Role & Commitment to UMC

- **Provide National Resources – YPT, CBC, IT, Literature, Uniforms etc.**
- **Indemnify the UMC and its entities related to the Church**
- **Provide legal defense for the UMC**
- **Provide General Liability Insurance Coverage for ALL Organizations**
 - **\$7.5M limit for each occurrence**
 - **\$23M annual aggregate limit**
 - **GLIP provides Commercial Automobile Liability Insurance Excess of local councils' coverage**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/29/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION is WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | |
|--|--|
| PRODUCER Marsh & McLennan Agency LLC 8144 Walnut Hill Lane, 18th Floor Dallas TX 75231 | CONTACT NAME: Laura Craig PHONE (Alt. No.): 972-770-1402 FAX (Alt. No.): 972-770-1699 EMAIL: laura.craig@marshmma.com |
| INSURED Boy Scouts of America, National Council and All of its affiliates and subsidiaries 1325 West Walnut Lane Irving TX 75038 | INSURER(S) AFFORDING COVERAGE INSURER A: Evanston Insurance Company NAIC #: 35378 INSURER B: INSURER C: INSURER D: INSURER E: |

COVERAGES CERTIFICATE NUMBER: 163197340 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSURANCE LINE | TYPE OF INSURANCE | ADDITIONAL SUBS (INS) (W/O) | POLICY NUMBER | POLICY EFF. (MM/DD/YYYY) | POLICY EXPI. (MM/DD/YYYY) | LIMITS |
|----------------|--|-----------------------------|---------------|--------------------------|---------------------------|---|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRODUCT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER | | V3P0005136 | 3/1/2022 | 3/1/2023 | EACH OCCURRENCE: \$1,000,000 DAMAGE TO RENTED (PREMISES) (Per occurrence): \$1,000,000 MED EXP (Any one person): \$ PERSONAL & ADV INJURY: \$1,000,000 GENERAL AGGREGATE: \$10,000,000 PRODUCTS - COMMOD AGG: \$ COMBINED SINGLE LIMIT (Per accident): \$ BODILY INJURY (Per person): \$ BODILY INJURY (Per accident): \$ PROPERTY DAMAGE (Per accident): \$ |
| A | <input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY INDIVIDUAL OR FIRM (OTHER THAN OFFICIAL MEMBER EXCLUDED?) (Mandatory in NP) If yes, describe limit below | | V3XEC0009136 | 3/1/2022 | 3/1/2023 | EACH OCCURRENCE: \$6,500,000 AGGREGATE: \$13,000,000 E.L. EACH ACCIDENT: \$ E.L. DISEASE - EA EMPLOYEE: \$ E.L. DISEASE - POLICY LIMIT: \$ |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate holder is named as an additional insured by virtue of a written or oral contract or by the issuance/existence of a permit or certificate of insurance but only with respect to operations by or on behalf of the insured, or to facilities of, or facilities used by the insured and then only of the limits of liability specified in such contract for the event specified. Primary and Non-Contributory applies as required by written contract or agreement. Waiver of Subrogation applies when required by written contract or agreement. Sexual Molestation coverage is incorporated in the policy and addressed by endorsement and is subject to the policy period, terms, limits and conditions of the policy. Certificate holders include directors, officers, agents, owners, volunteers, mortgagees and landlords as required by written contract or agreement.

For: All Official Scout Activities

GL Coverage with limits of
\$7,500,000

| POLICY EXPIRATION DATE | LIMITS | |
|------------------------|--|--------------|
| 3/1/2023 | EACH OCCURRENCE | \$1,000,000 |
| | DAMAGE TO RENTED PREMISES (Per occurrence) | \$1,000,000 |
| | MED EXP (Any one person) | \$ |
| | PERSONAL & ADV INJURY | \$1,000,000 |
| | GENERAL AGGREGATE | \$10,000,000 |
| | PRODUCTS - COMMOD AGG | \$ |
| | | \$ |
| | COMBINED SINGLE LIMIT (Per accident) | \$ |
| | BODILY INJURY (Per person) | \$ |
| | BODILY INJURY (Per accident) | \$ |
| | PROPERTY DAMAGE (Per accident) | \$ |
| | | \$ |
| 3/1/2023 | EACH OCCURRENCE | \$6,500,000 |
| | AGGREGATE | \$13,000,000 |
| | | \$ |

Annual aggregate
\$23,000,000

BSA Liability Insurance as of 3/1/2022

once the GLIP program limits are exhausted, we are self insured

| General Liability Insurance Program (GLIP) | | | | |
|--|-------|------------------|-------------------------------|------------------|
| Excess Insurance extends general liability limits to TOTAL: \$57.5M occurrence/\$73M aggregate | | | | |
| Custom (“Manuscript”) policy includes broad coverage to address the scouting program – including sexual abuse & molestation claims | | | | |
| GLIP coverage is first dollar – no deductible (retention) | | | | |
| Primary General Liability \$1M Per Occurrence / \$10M Agg | Auto* | WC + EL \$1/1/1M | Non-Scout Family Adventure GL | Foreign GL EL AL |

| D&O Policies |
|-----------------|
| BSA \$35M ABC |
| Local Councils |
| ➢ \$1M per |
| ➢ \$35M agg ABC |
| BSAAM \$15M ABC |

BSA’s 2022 Cost of Insurance: Insurance Premiums \$42.4M for 3/1/22-3/1/23

- \$41.3M National
 - Includes \$37M for GLIP
- \$1M for D&O coverage purchased on behalf of Local Councils – *does not include optional excess D&O limits that Councils purchase & pay directly*
- *Insurance costs ~\$28.50/member (2021)*
- *Insurance costs ~\$52/member (Calculation based on youth membership through June 2022)*

*Local Councils are responsible for purchasing \$1M Auto Liability locally including hired/non-owned auto coverage (covering volunteers)

Realities Moving Forward

- UMC wants a legal separation to limit Liability Exposure
 - Strong desire to Church/BSA to preserve 100+ year relationship
 - Strongly supports FUA Concept & Group of Citizens
 - Steward Unit Assets & pay for insurance (units might pay the insurance)
- IRS Regulations and reporting Requirements
- EIN#
- Must Address the existing Charter Partner Model
 - Traditional Charter Partner Concept
 - Council Registered Units
 - Group of Citizens

Annual Charter Agreement

Revised form 8.26.22

Highlights

Council Agrees to:

- Submits criminal background checks in accordance with BSA policies and procedures
- Confirms that the requisite CBC has been completed, by indication of the council designees' signature

Charter Organization Agrees to:

- Refrain from using the Scouting brand as a means to imply BSA's endorsement of the objectives of the Charter Organization, except with respect to youth development, consistent with the goals and objectives of the Scouting program. Refrain from soliciting financial support except as authorized for the benefit of the Unit or the Local Council.
- Administer the assets of the Unit, including all funds, real property, and personal property (e.g., trailers) that are acquired by the Unit either for the benefit of Scouting or in the name of Scouting and administer the assets for the benefit of the Unit.
- Authorize the unit to open a separate bank account for the Unit using the Charter Organization EIN and provide the Unit with policies and procedures for financial reporting and asset management.

Annual Charter Agreement

Revised form 8.26.22

Highlights (cont.)

The Scouting Unit Agrees to:

- Ensure the unit has two-deep leadership at all times
- Ensure all adults have an approved CBC and have completed YPT
- Ensure timely registration of all youth and adult members
- Abstain from using the Scouting program to pursue any objectives related to political or social advocacy, including partisan politics, support or opposition to government action, or controversial legal, political, or social issues or causes
- Be a good steward of the Unit's resources and comply with the BSA's Fiscal Policies and Procedures
- Apply for and undertake Unit Money Earning Projects in accordance with BSA's and the Local Council's guidelines
- Follow all Charter Organization policies and procedures regarding the management of funds. For Unit specific bank accounts, Units will submit reporting as prescribed by the Charter Organization.

Council Tool Kit

- Updated FAQ
- Updated Affiliation Agreement as of 8/26/22
- UMC Facilities Use Agreement
- Guidelines for Council Registered Units
- Board Resolutions for CRU
- Unit Charter Release –Assumption Form
- CRU financial resources for council/units
- Transfer of Assets Template
- BSA Liability Insurance Fact Sheet & Certificate Insurance

<https://onedrive.live.com/?authkey=%21AB7B8QyBoJZNeIM&id=2DD2E3814744C075%216377&cid=2DD2E3814744C075>

Affiliate Agreement paperwork

- Affiliate agreement
 - Appointment of Council Rep
- Asset transfer application
- Close unit Checking account with church EIN
- Open new account with Council EIN
 - Unit will need to provide financial disclosures @X annually



New Charter partner

- In Partnership with Council Staff
- Release of unit Charter & Assets Document
- New Charter Agreement
- New Unit Application
- Appointment of New Charter Rep
 - Charter rep training
- Close Unit Account and open new account
- Facility Use agreement if applicable



Council Chartered Unit

- Release of Unit Charter & assets application
- Appointment of Council Rep
- Inspection & registration of unit Equipment
 - Property Insurance application
 - Annual safety/Maintenance inspection
- Close Unit Account
- Open New unit account
 - Semi-annual financial reporting



Group of concerned citizens (Small Single Purpose Community Corporation)

- Same as new Charter Partner
 - Concerned citizen group allowed until 2024
 - IRS tax implications for leaders
- SSPCC
 - Articles of Inc and bylaws with IL Sec of State
 - IRS application
 - D&O, & Property Ins application
 - Annual IRS reporting
- Tool Kit on TFC website by end of Month

