



Talking points for local councils to address with chartering organizations

- The relationship between the national/local council and the chartering organization is documented in an annual charter agreement.
- For most councils, the standard charter agreement begins on January 1 and expires on December 31. Some councils re-charter on a different timetable but all chartering agreements are for twelve (12) months.
- These agreements provide chartering organizations general liability insurance coverage, through the BSA, for liability arising out of sponsorship of a traditional Scouting unit. Currently that coverage is up to \$1 million per occurrence and an aggregate of \$10 million in primary coverage limits. Only chartering organizations get this insurance. Those who allow a unit to meet at their facility but are not a chartering organization do not get this additional insurance.
- Standard charter agreements provide that chartering organizations approve of the selection of every adult leader in the unit. Religious chartering organizations are permitted to apply their faith, values and beliefs as selection criteria to approve or disapprove of adult leadership.
- Facility use agreements would negate both insurance coverage and the ability to influence and control the selection of adult leaders.
- Because of BSA's current YPT program, abuse claims have dramatically diminished. Most of the claims in the bankruptcy proceeding involve allegations of abuse occurring before 1980. Entering into a facility use agreement or any other agreement, other than a standard charter, will not affect a chartering organization's potential liability for past claims. Future claims against a chartering organization are covered under BSA's current general liability policy, subject to individual and aggregate limits, if the organization has entered into a standard charter agreement.
- All local councils have made it clear in the bankruptcy process that their contribution to the settlement trust is contingent upon, among other things, acceptable resolution

of insurance and indemnity issues with respect to chartering partners through the channeling injunction and/or voluntary releases (with acceptable resolution determined by the local council). The local councils are standing with our chartered partners.

- The Ad Hoc Committee, working on behalf of all local councils, is negotiating a resolution that will include protections for chartering organizations.
- All claimants will be offered a “no questions asked” settlement in the amount of \$3500. Because the majority of claims fall outside of actionable limitations periods, it is believed that the majority of claimants will opt for this settlement. To be entitled to this settlement, a claimant will be required to sign a release that covers any applicable chartering organization. Such a release is being referred to by the Ad Hoc as a voluntary release.
- The Ad Hoc is working toward ensuring chartering organizations whose potential liability consists of only sponsoring a unit in which abuse was alleged (i.e. a charter organization's employee has not been named as an alleged abuser), will get liability protections if they agree to assign their rights to BSA issued insurance coverage to the settlement trust.



	Chartered Partner Relationship	Facilities Use Agreement
\$1 million/10 Million General Liability Insurance Coverage	Yes	No
Your Insurance	Secondary	Primary
Ability to Name and Determine Who Serves as the Leadership of the Scouting Unit	Yes	No
Effect on Potential Historical Liability Claims	None	None (moving to a facilities use agreement does nothing to address potential historical liability claims)
Ministry of the Church	Yes	?
Need to Transfer Bank Accounts, Trailers and Equipment	No (No action needed)	Yes (You will need to account for and transfer ownership)
Trailers, Flags and Other Insignia	No Action Needed	Need to Remove Your Church's Name

If you decide to pursue a facilities use agreement:

1. The annual charter partner agreement is a twelve-month agreement. You would need to consult with your own attorney to determine if you can terminate the agreement early.
2. In fairness, you would need to give your unit leadership advance notice of the change so that they can prepare for the transition.
3. Every unit must have a chartering organization. If your church is no longer going to be that chartering organization but desires instead to permit the unit(s) to meet at your facility, the chartering organization can be the local council or can be another nonprofit corporation established by the current unit committee. It would take some time to establish a separate nonprofit. A chartering organization that is not a religious institution loses its ability to screen leaders for beliefs and practices that are inconsistent with the church's teachings.
4. Once it is determined who the new chartering organization will be, you would negotiate and execute a facilities use agreement with the new chartering organization that would allow the unit(s) to meet at your church.

5. Please consult with your own insurance broker to determine whether your insurance will cover the activities of a tenant and any potential liability associated with those operations (i.e. slip and fall).
6. The chartered organization actually owns and has the right to direct the bank account and property associated with the unit. If you are no longer going to be the chartering organization but wish to move to a facilities use agreement, you will need to reconcile the current bank account and make arrangements to transfer the balance in the account to the new chartering organization.
7. If the unit(s) chartered by your church have a trailer(s), you will need to make arrangements to transfer the title or ownership of the trailer(s) to the new chartering organization. If the trailer(s) have your church's name on the side of the trailer, you will want to have that name removed.
8. You will need to have an audit/accounting of the equipment used by your unit(s) performed and the equipment then transferred to the new chartering organization.
9. The unit(s) chartered by your church likely have a unit flag with your church's name on it. You will want to have the unit(s) obtain a new flag(s) that does not list or reference your church.
10. You will want to ask the unit(s) chartered by your church to refrain from making any t-shirts or neckerchiefs that list your church and to refrain from wearing them going forward.