**LEAP/LSC Financial Reporting Requirements:**

**LEAP 1 Requirements:**

**Tax form (990):**

Each LSC shall meet the reporting requirements to USA Swimming contained within the “LSC Required By-Laws”, including an annual submission of a copy of IRS Tax Form 990 to: [LSC990andfinancials@usaswimming.org](mailto:LSC990andfinancials@usaswimming.org).

**Year End Financial Statements:**

Each LSC shall meet the reporting requirements to USA Swimming contained within the “LSC Model By-Laws”, including an annual submission of a copy of the annual closing Balance Sheet and Statement of Income and Expense to: [LSC990andfinancials@usaswimming.org](mailto:LSC990andfinancials@usaswimming.org).

**Annual Budget:**

Each LSC shall have an annual operating budget. Items may be grouped together. For example, USA Swimming does not need to see individual salaries of staff, but would like to see a single line item for salaries.

**Monthly Financial Report (P&L):**

To fulfill their fiduciary duty, LSC Board members must have knowledge of the financial state of the organization. A financial statement, such as a Profit/Loss (P&L), must be provided at each regularly scheduled Board of Directors Meeting and its acceptance must be indicated in your minutes.

**LSC Internal Financial Review:**

LSCs shall annually conduct and submit to USA Swimming an LSC Statement of Internal Review Remittance and Attestation form (or the results of an external audit) to: [LSC990andfinancials@usaswimming.org](mailto:LSC990andfinancials@usaswimming.org)

[LEAP 1: LSC Internal Review-Remittance and Attestation Form](http://www.usaswimming.org/DesktopDefault.aspx?TabId=1525&Alias=Rainbow&Lang=en)

**LEAP 2 Requirements:**

**Quadrennial Budget: Required**

Strategic planning requires a budget extending several years into the future. Many LSCs plan around the Olympic Quadrennial.

**\*LSC Financial Assessment: Required**

LSCs shall complete and submit to USA Swimming an internal assessment, utilizing the LSC Financial Assessment Program (found on the financial reporting page of the USA Swimming website) shall be completed. This will assist the LSC in providing a higher level of assurance that the LSC is operating efficiently, that assets are safeguarded, and the LSC is compliant with prescribed laws and policies. Individuals associated with the LSC (Finance or Audit Committee) perform the LSC Assessment Program.

[**LEAP 2: LSC Financial Assessment Program**](http://www.usaswimming.org/DesktopDefault.aspx?TabId=1525&Alias=Rainbow&Lang=en)

**\*NOTE: If you have an independent CPA performing a full external audit of the LSC Financials (as required by some states), then the LSC Financial Assessment is not necessary.**

**LEAP 3 Requirements:**

**External Agreed Upon Procedures Audit: Required**

USA Swimming has arranged for an independent CPA to conduct an *LSC Agreed Upon Procedures engagement, to verify that the LSC Financial Assessment Program was performed adequately by an internal group (Finance or Audit Committee).* At the completion of the Agreed Upon Procedures engagement, the auditor will issue an opinion on whether the LSC is maintaining the internal controls verified by the LSC internal personnel in LEAP 2.

[**LEAP 3: External Agreed Upon Procedures Audit Program**](http://www.usaswimming.org/DesktopDefault.aspx?TabId=1525&Alias=Rainbow&Lang=en)

**\*Note: If you have an independent CPA doing a full external audit of the LSC Financials (as required by some states), then the External Agreed Upon Procedures Audit is not necessary.**

**An independent CPA who performs verification and substantiation procedures conducts an external audit or review.  An audit or review of the financial statements results in the auditor issuing a letter concerning the accuracy of the financial statements.**