SOUTHEASTERN SWIMMING BOARD of DIRECTORS MEETING

April 15, 2016

1:00 PM CST

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| Opening Remarks- review of agenda | Phil Krause |
| Roll Call | Robby Dellinger |
| Minutes  | Robby Dellinger |
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| **Report of Officers** |  |
| President | Roger Dahlke |
| Administrative Vice Chairman | Brad Kale |
| Senior Vice Chairman | Jeff Dellinger |
| Age Group Chairman | Jorge Cortes |
| Secretary | Robby Dellinger |
| Treasurer | Chris Corragio |
| Coaches Representative (Technical Planning) | Brian Haddad |
| Athlete Representatives | Ben McCary, Christian Berry, Jewells Harris, Margaret Carey |
| Finance Vice-Chair | Tyler Kerns |
| Officials Chair (Rules and Regulations Chair) | Donna Williamson |
| Safe Sport Coordinator | Clark Hammond |
|  |  |
| Report of ChairpersonLaw and Legislature - Tom Healey SWIMS - Robby DellingerRegistration - Tom HealeyDiversity - Greg JohnsonCamps - Collin FarisAdaptive Swimming - Robin HellerClub - Matt WebberSafety - Tom Healey  |  |
|  |  |
|  |  |
| **Old Business** |  |

1. By-laws
	1. Status of approval by USA Swimming
2. Award Committee
	1. Establishing a way to honor long term volunteers at USA Convention, etc.

 III. Hall of Fame 2016

 a) Nominations

 b) HOD, BOD and coaches meetings.

 C) Education for coaches - offering of CPR and Coaches Safety.

 IV. Budget

A. How to pay for Olympic Trials for Quad

 V. Financial Investment strategy for the LSC

New Business

 I. Board of Directors Orientation Manual.

 II. Quad Financial Budget.

 III. Convention - Sept 18 - 22, 2016 in Atlanta

 IV. Proposals and Legislation for Board Consideration

 Proposals for 2016 Spring BOD Meeting

1. Add the following to Financial Procedures 3.07 (Banking):

3.07.04

With the concurrence of the General Chair, the Southeastern Treasurer may require teams or individuals who have a history of payments declined by the bank due to insufficient funds to pay all obligations to Southeastern Swimming via money order, cashier's check, or other guaranteed financial instrument. The team or individual may request a review and relief of this requirement after a period of not less than six months. The Treasurer, with the concurrence of the General Chair, may grant such relief when satisfied that the team or individual in question will be able to meet normal checking account obligations.

Rationale: There have been instances when a club has shown a history of failing to maintain adequate funds in their bank account to cover obligations to the LSC. While it is recognized that an atypical cash flow timing error may occur from time to time, when such an issue becomes common practice for a club then it is in the best financial interest of the LSC to require a guaranteed method of payment.

2. Replace Financial Procedures 8.02 with the following and renumber subsequent sections:

8.02

The budget of the Southeastern LSC shall be prepared on a September-August fiscal year. The annual accounting for IRS purposes shall be on a calendar year.

Rationale: In our sport, the normal seasonal flow of activities occurs from September-August. New registration fees get instituted in September. Meet schedules are bid starting on September 1 for the short course season, and ending on August 31 for the long course season.

*Expenses, the funding of which is received primarily through registration and meet surcharge income, should be tied to the fiscal year in which the funds were raised. It only makes sense.*

Further benefits: Since our fall meeting is usually held in October, actual September registration figures can be used to predict registration income trends for the coming fiscal year. When preparing the budget, it is much more accurate to project for the next fiscal year as opposed to the next 1-1/2 fiscal years. (ie - For 2016's budget, I had to estimate registrations for the 2015-2016 cycle and for the 2016-2017 cycle). Comparing expenses on a YTD basis for items (such as National Team Support) which may be turned in for payment either before or after December 31 becomes much easier and a better analytical tool when looked at as a fiscal year.

For IRS purposes, the budget year and reporting year do not have to be the same. Since we have been reporting to the IRS on a calendar year, it only makes sense to continue to do so.

If passed, the calculation for National Meet Support limits would also be figured on a September - August cycle beginning in January, 2017. For the remainder of 2016, the limits would follow the calendar year as currently budgeted.

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**Investment Proposal**

As of March 31, 2016, we had cash on hand of $338,944. Current liabilities as of that date were $10,066 - representing what we owe USA Swimming for registrations received in March, to be paid in April. In my opinion, our money needs to be put to work for us.

Pressing questions are (1) How much do we invest? , and (2) How do we go about investing this sum?

**How much do we invest?**

Obviously, we need to maintain a certain amount of liquidity in order to continue day-to-day operations. An analysis of expenses and registration liability to USA Swimming (USASR) for the past 31 months yielded the following:

|  |  |  |
| --- | --- | --- |
|  | **31 Mo. Total** | **Average** |
| Expenses exclusive of USASR | 515,711 | 16,636 |
| USASR liability | 1,345,689 | 43,409 |
| Cash Expended | 1,861,400 | 60,045 |
|  |  |  |
|  | **Largest Month's** |  |
|  | **Amount** |  |
| Expenses exclusive of USASR | 76,322 |  |
| USASR liability | 231,859 |  |
| Cash Expended | 266,319 |  |

The largest month's expenses independent of USASR occurred in the following months:

 August, 2014 $76,322 (Zone expenses: $36,281; National Support: $32,600)

 August, 2015 $62,673 (Zone expenses: $32,044; National Support: $19,700)

 September, 2014 $34,656 (Zone exp: $9,523; Support: $4,800; SES HOF: $5,000)

 September, 2015 $34,460 (Support: $22,100)

Since any money we take in for USASR flows right back out the next month, keeping funds on hand to pay USAS will not be a problem as long as the rest of our cash flow remains positive.

I suggest that we take the current $18,637 that we have in the Merrill Lynch Account and add to that $131,363 from our checking account. As of March 31, taking into account current USASR liabilities, that would leave us $171,361 in our checking account. This would give us $150,000 to invest.

**Where do we invest this money?**

As with any investment, we need to find something that pays a solid return, but that is prudently safe so as to protect our organization. A well-crafted Investment Policy Statement is essential.

As to where to eventually place our investments, USA Swimming has a relationship with First Western Trust. I suggest we start there and see what they can provide for us and for how much.

**Action Items**

1. The General Chair appoint an Investment Committee consisting of 5 people by May 1. I recommend that the Finance Chair chair this committee and that the Treasurer serve on it. If we need an athlete on the committee, I suggest we ask our college coaches in the LSC to recommend a student majoring in finance and reach out to him/her to serve.

2. The Finance Chair craft and send out for discussion and approval by the Investment Committee an Investment Policy Statement by May 1.

3. The Investment Committee review, approve, and pass on the Investment Policy Statement to the BOD by June 1.

4. The BOD review, amend as needed, and approve the Investment Policy Statement by July 1.

5. The Investment Committee interview possible investment brokers from July 1 - August 31

6. The Investment Committee make a recommendation to the BOD and HOD at the Fall meeting as to which investment firm to utilize and confirm/amend the amount of money to initially invest.

7. The Finance Chair make proper and legal arrangements to initiate the LSC investment strategy.

8. The BOD immediately approve earmarking $131,363 for investment purposes. Note that this money is not going anywhere, but it does give the Investment Committee a figure ($150,000) to use when interviewing potential investment brokers.

**Rationale:**

Right now, our money is not doing anything for us. In fact, our Merrill-Lynch account actually loses money each year when the maintenance fees are taken out in January. The expectation is that with a dated timetable that we can move forward with this issue in an expedient manner.

Respectfully Submitted,

Chris Coraggio

SES Treasurer

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Technical Planning

Tyler Kerns

**5.2 Southeastern Short Course and Long Course Championships**

1) propose we eliminate the limit on the number of relays that can score in age group championships.

Brian Haddad

2) INCREASE IN LC SURCHARGE

Tyler Kerns

**4.3 Specific Rules about SES competitions**

1) no meet be allowed to have prelims - finals for 8 and unders.

Announcements

Adjournment

**Call-in instructions.**

**Dial - (866) 505-6960**

**when prompted enter the conference code.**

**Conference code: 6450801896**

**you will be connected into the conference call.**