

## FINANCE COMMITTEE

Date: 9-19-86

Time: 12:00 noon

Present: Committee members: Lucy Johnson (Chairman), Diana Todd, Kris Wingenroth, Nick Fazzano, William Tingley, Reg W. Richardson, Dotty Whitcomb, Suzanne Rague, Harry Fox, Mike Laux, Tom Boak, E. Kevin Kelly.  
Non-members: Margaret Samson, Pat Singstock, Joan Spangler, Janet Latham, David Dennell, Marilyn Fink, Jane Moore, Enid Uhrich, Jeanne Bostwick, Dorothy Donnelly, Dore Schwab, Art Mayer, Michael Heather, Laura Breaux, Dan Gruender.

### 1. MINUTES:

Moved, seconded and carried (MSC) to accept the minutes from the 1985 convention.

### 2. Treasurer's Report:

Combined with the Comptroller's Report.

### 3. Comptroller's Report:

Diana Todd presented the fiscal 1986 unaudited Balance Sheet and Income Statement. See Exhibit I.  
MSC to accept the report.

### 4. Auditor's Report

Suzanne Rague presented the fiscal 1985 Audit and discussed her findings. Henceforth the Audit Committee will distribute copies of future audit reports to all members of the Finance Committee and the Board of Directors.  
MSC to accept the report. The Finance Committee commended Suzanne Rague for a thorough and excellent report.

### 5. Revenue Projections:

A. Assumptions: Individual registrations will be 24,500 (approximately a 10% increase over fiscal 1985). Club registrations will be the same as in F1985 (360). Championship surcharge income will be the same as in F1985 (\$2000). Interest rates were estimated at 5% for the \$100,000 reserve monies. Another \$1,000 in interest will be paid during the stub period for maturing T-bill. USMS has received a \$2,000 grant from NutraSweet to promote international understanding.

B. MSC to approve the revenue projections. See Exhibit II.

### 6. Operating Expenditure Requests:

Information: Separate line items were created for both FINA Liaison and MSI Liaison. The national Newsletter was broken out separately from the Marketing Committee where it previously had been carried. Two newsletters will be published in 1987, and one in the Stub period. Two Ad Hoc committees - Coaches and Rulebook were added as separate line items.

MSC to approve the operating expenditures. See Exhibit II.

### 7. Capital expenditures:

A finance subcommittee was formed to ascertain the hardware and software requirements to meet the specific needs of the National Office.

## 7.cont.

MSC to approve \$1800 for the purchase of a highcapacity copier with reduction capability for National Office use. See Exhibit II.

## 8. Inventory Expenditures:

It was determined to place expenditures for the calendars and the adaptive swimming handbook in this category as separate line items, rather than continuing to be included in the Marketing Committee expenses, with the Marketing Committee continuing to oversee these projects. See Exhibit II.

## 9. Registration Committee:

Rulebooks, printing and mailing of registration cards, and the SwimMaster subscriptions for the LMSC's were removed from the Registration Committee expense line and incorporated into a new single budget line item titled Registration. See Exhibit II.

## 10. International Committee:

Funds were requested in the amount of \$1400 to host the FINA Technical Committee at Stanford University in May 1987. See Exhibit II.

11. A number of amendments to the Code were proposed by the committee and were approved, and were sent to the Legislation Committee.

12. A number of financial guidelines were proposed by the committee. MSC to approve the proposed guidelines. See Exhibit III.

13. A number of investment policies were proposed by the committee. MSC to approve the proposed policies. See Exhibit IV.

The meeting was adjourned at 8:00p.m.

Respectfully submitted,

Att.: Exhibit I. Balance Sheet and Income Statement  
Exhibit II. Budget Summary, Revenue Budget, Budget Requests  
Exhibit III. Financial Operating Guidelines  
Exhibit IV. Investment Policies

Exhibit I.

U.S.M.S.  
Balance Sheet  
At August 31, 1986

ASSETS:

Cash:		
Brenton Bank	\$	(3,156.76)
Merrill Lynch		22,422.01
Piper, Jaffray & Hopwood		1,966.66
Investments:		
T-Bills		94,389.87
Accounts Receivable:		
Registration		535.14
Patches		682.50
Inventory:		
All-American Certificates		36.21
All-American Patches		342.63
Calendars		13,876.93
Equipment	\$ 2,439.39	
Less: Accum. Depreciation	<u>(1,444.07)</u>	995.32
TOTAL ASSETS		<u>\$ 132,090.51</u> =====

LIABILITIES:

Short-Course National Meet	\$	1,231.00
Long-Course National Meet		933.00

EQUITY:

Equity at August 31, 1984		99,219.93
Fiscal 1985 Income		30,939.16
Fiscal 1986 Income		(232.58)
TOTAL LIABILITIES & EQUITY		<u>\$ 132,090.51</u> =====

U.S.M.S.  
Income Statement  
For The Year Ended August 31, 1986

INCOME:

Registration Fees:	
Members	\$ 73,738.75
Clubs	3,580.00
LMSC	580.00
Lists	509.25
Labels	310.00
Transfers	467.00
Shipping	2.58
Other	566.07
Deposit Variance	(568.68)
 Patches:	
Championship	688.33
All-American	520.00
 Championship Meets & Grants	4,499.00
Interest Income	2,776.60
Dividends	<u>2,564.86</u>
 TOTAL INCOME	 <u>\$ 90,233.76</u>

EXPENSES:

Accounting, Legal & Insurance	\$ 24,894.68
Rule Books	1,990.00
Swim Master Magazine	392.00
Officers Travel	6,657.10
Supplies	2,191.29
Telephone	2,920.71
Postage & Shipping	3,461.53
Printing & Copying	3,876.30
Conventions	4,700.93
Registrar Contract	10,439.97
Secretary Contract	16,800.00
Newsletter	9,369.78
Cost of Goods Sold	546.00
Depreciation	450.48
Miscellaneous	<u>1,775.57</u>
 TOTAL EXPENSES	 <u>\$ 90,466.34</u>
 NET INCOME (LOSS)	 <u>\$ (232.58)</u> =====

Exhibit II.

BUDGET SUMMARY

	Stub	1987B	16 Mos. Total
Cash Receipts	\$64,455	\$173,680	\$238,135
Cash Requirements	56,603	182,260	238,863
Net Increase (Decrease) in Cash	<u>\$ 7,852</u>	<u>\$ -8,580</u>	<u>\$ -728</u>

USMS  
FINANCE COMMITTEE  
REVENUE BUDGET

SEPTEMBER 1986  
CONVENTION

	(8 Mos.) F1984 A	F1985 A	F1986 B	F1986 A	STUB B	1987 B
401 REGISTRATION FEES - INDIVIDUA	47919	62083	70525	73739	42875	122500
402 REGISTRATION FEES - CLUBS	2550	3120	3000	3580	1800	3600
403 REGISTRATION FEES - LMSC's	6	500		580	580	580
404 LISTS		165		310	0	0
405 LABELS		731	1200	509	0	0
406 TRANSFERS		352		467	0	0
407 RULE BOOKS		272		234	0	0
408 SHIPPING		85		3	0	0
409 OTHER REGISTRAR'S INCOME	1235	-15		332	0	0
410 ALL-AMERICAN PATCHES	472	540		841	0	1000
411 CHAMPIONSHIP PATCHES	313	1150		355	0	0
412 USMS PATCHES	27	457		0		n/a
413 CHAMPIONSHIP MEET SURCHARGES		3910	2000	2164	0	2000
414 INTEREST	2067 (1)	5237	10000	2752	3200	6000
415 DIVIDENDS	2452	2977		2565	0	0
416 CALENDARS	0		5000	0	16000	36000
417 GRANTS				2000	0	2000
418 OTHER	2		3000	14	0	0
419 ADAPTED HANDBOOK					0	0
<b>TOTAL INCOME (BUDGET)</b>	<b>57043</b>	<b>81564</b>	<b>94725</b>	<b>90445</b>	<b>64455</b>	<b>173680</b>

(1) For the 7 months ended 7-31-84

USMS  
FINANCE COMMITTEE  
BUDGET REQUESTS

Exhibit II.

SEPTEMBER 1986  
CONVENTION

		(8 Mos.)						
		F1984 A	F1985 A	F1986 B	F1986 A	STUB B	1987 B	
501	INSURANCE	12899	15157	27300	24895	15050	62600	
502	REGISTRATION EXPENSES <sup>1</sup>	2143	2000	2000	1990	1600	5700	
503	PRESIDENT	377	613	3775	3539	650	2360	
504	VICE PRESIDENT	165	697	1175	483	200	850	
505	SECRETARY	516	632	1175	567	700	950	
506	TREASURER	203	385	2925	2645	650	1200	
507	ZONE CHAIR	51	178	800	241	150	400	
508	BREADBASKET ZONE	79	12	)	)	)	)	
509	COLONIES ZONE	33	41	)	)	)	)	
510	CONTINENTAL DIVIDE ZONE	0	22	)	)	)	)	
511	SOUTH CENTRAL ZONE	20	122	)	)	)	)	
512	HEARTLAND ZONE	0	9	)	)	)	)	
513	DIXIE ZONE	0	0	)	)	)	)	
514	OCEANA ZONE	0	0	)	)	)	)	
515	COMPTROLLER	129	146	500	53	25	100	
516	NATIONAL OFFICE (EXEC.SEC.)							
	Salary		2800	9800	16800	6000	18000	
	Administrative Expenses	477	3490	10540	3983	1653	5700	
	TOTAL - NATIONAL OFFICE	477	6290	20340	20783	7653	23700	
517	REGISTRAR	3927	8404	8000	10440	4300	12000	
518	AUDIT	25	0	100	36	20	100	
519	RANSOM ARTHUR AWARD COMM.	88	201	100	86	30	100	
520	CHAMPIONSHIP COMMITTEE	0	801	1400	510	130	1400	
521	CONVENTION COMMITTEE	0	2406	4500	4700	5000	5000	
522	FINANCE COMMITTEE	0	202	150	20	80	250	
523	INTERNATIONAL COMMITTEE	0	100	2750	1657	50	150	
524	LEGISLATION COMMITTEE	0	0	400	32	80	280	
525	LONG RANGE PLANNING COMMITTEE	233	300	200	147	125	350	
526	LONG DISTANCE COMMITTEE	0	117	190	44	90	260	
527	MARKETING COMMITTEE	0	4141	21830	290	610	21700	
528	NEWSLETTER <sup>3</sup>	0	0	)	11006	8000	16000	
529	REGISTRATION COMMITTEE	3095	2174	4900	3135	50	100	
530	RULES COMMITTEE	0	0	100	0	25	100	
531	SPORTS MEDICINE COMMITTEE	333	163	1350	167	95	1100	
532	(WAS ALL-AMERICAN COMMITTEE) <sup>2</sup>	424		615	563			
533	RECORDS AND TABULATION COMMIT	0	0	100	0	100	350	
534	(WAS TABULATION COMMITTEE)	167	94	150	114			
535	USS LIASISON	0	0	100	0	100	100	
536	HISTORIAN	0	500	500	500	30	100	
537	LRGAL COUNSEL	279	505	150	37	50	150	
538	EXECUTIVE COMMITTEE	0	0	250	0	250	250	
539	FINA LIAISON					0	1500	
540	MSI LIAISON					20	150	

USMS  
FINANCE COMMITTEE  
BUDGET REQUESTS

SEPTEMBER 1986  
CONVENTION

(8 Mos.)  
F1984 A

F1985 A

F1986 B

F1986 A

STUB B

1987 B

HALL OF FAME GRANTS	780	1118	1100	1101	600	1225
DEPRECIATION	162	790	500	450	150	460
PRINTING AND COPYING	0	0	0	0		
MISCELLANEOUS	205	70	0	100	50	250
NOT ELSEWHERE CLASSIFIED	0	1808	0	160	350	250
AD HOC COACHES COMMITTEE					50	150
AD HOC RULEBOOK COMMITTEE					40	160
<b>SUBTOTAL EXPENSE ITEMS</b>	<b>26810</b>	<b>50198</b>	<b>109425</b>	<b>90491</b>	<b>47153</b>	<b>161845</b>
<b>CAPITAL EXPENDITURES</b>						
1) COMPTROLLER - 515	0	0	0	0	0	500
2) NATL OFFICE-516 - COMPUTER	0	0	0	0	7500	0
3) NATL OFFICE-516 - COPIER	0	0	0	0	1800	0
4) CHAMPIONSHIP COMMITTEE - 520	0	0	3000	0	0	0
<b>SUBTOTAL CAPITAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>3000</b>	<b>0</b>	<b>9300</b>	<b>500</b>
<b>INVENTORY EXPENDITURES</b>						
5) MRKTG.COMM.-CALENDAR PRODUCTI <sup>4</sup>	0	0	12000	14064		20000
6) MRKTG.COMM.-ADAPTIVE HANDBOOK	0	0	1000	0	300	375
7)					0	0
<b>SUBTOTAL INVENTORY EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>13000</b>	<b>14064</b>	<b>300</b>	<b>20375</b>
<b>TOTAL EXPENSES (BUDGET)</b>	<b>26810</b>	<b>50198</b>	<b>125425</b>	<b>104555</b>	<b>56753</b>	<b>182720</b>
LESS: DEPRECIATION	162	790	500	450	150	460
<b>TOTAL CASH EXPENSES</b>	<b>26648</b>	<b>49408</b>	<b>124925</b>	<b>104105</b>	<b>56603</b>	<b>182260</b>

- (1) Includes SwimMaster subscription sent to each LMSC
- (2) Now included in 516
- (3) Was previously included in the Publications Subcommittee of the Marketing Committee
- (4) Was previously shown as an expense of the Marketing Committee

Exhibit III.

FINANCIAL OPERATING GUIDELINES

1. Motion: Travel and lodging expenses of the President or the next available ranking officer (if the President is not available) incurred at National Long Course and Short Course Championship meets be fully reimbursed commencing in 1987, provided that the reimbursement in 1987 shall not exceed the President's 1987 budget allocation. MSC, with one nay.
2. Motion: Reaffirm the policy of not reimbursing officers' expenses for either travel or lodging in connection with National Championship meets, except for the President's expenses as outlined in 1. above. MSC
3. Motion: Detailing of USMS costs, and proposed pricing schedules (including the breakeven point) for any revenue producing project or item for which a budget allocation has been accepted, shall be submitted to the Finance Committee for its approval prior to incurring any financial obligation associated with the production of such project or item. MSC
4. Motion: Reaffirm the policy of donating \$.05 per registered swimmer to the International Swimming Hall of Fame, payable on a quarterly basis. MSC
5. Motion: Members of USMS committees shall be reimbursed for expenses incurred in the performance of their duties, if such expenses are within the limits of the committee's budget allocation, and have been approved by the committee chairman or an officer. MSC
6. Motion: All financial records of the Corporation shall be submitted to the Audit Committee within 45 days after the close of the Corporation's fiscal year. MSC
7. Motion: The Finance Committee is to develop a financial guidelines manual, which will be updated by the committee as necessary. MSC

Exhibit IV.

UNITED STATES MASTERS SWIMMING, INC.

Investment Policies

The following general guidelines and philosophical considerations are recommended for the management of cash held in the Treasury of U.S. Masters Swimming, Inc.

- (1) \$100,000 will be maintained as a reserve fund.
- (2) All other monies are to be viewed as short term in nature with no intent to create a longer term pool of investment capital. This consideration should, however, be reviewed on an annual basis.
- (3) Cash, approximately equivalent to three months expense requirements, should be kept in liquid and available form in some type of checking account at a financial institution offering the appropriate Federal Deposit Insurance and meeting the requirements of (4)(c) below. Such checking accounts (NOW or MMDA accounts) in many states offer competitive money market returns but the convenience and availability of these monies to the Treasurer is considered of primary importance.
- (4) Monies (including the reserve fund) exceeding the aforementioned requirements of (3) above should be invested as follows:

The Corporation and any of its subsidiaries may own direct obligations consisting of U.S. dollar denominated:

  - (a) marketable, direct obligations of the United States of America maturing within one year from the date of acquisition thereof,
  - (b) prime commercial paper maturing within one year from the date of acquisition thereof, and, at the time of acquisition, having a rating of A-1 or higher by Standard & Poor's Corporation, or Prime 1 or higher by Moody's Investors Service, Inc., or F-1 or higher by Fitch, and
  - (c) interest bearing certificates of deposit maturing within one year from the date of acquisition thereof issued by a commercial bank organized under the laws of the United States of America or any State thereof having total assets of not less than \$1,000,000,000 and a long term debt rating of at least AA and Aa, (such certificates of deposit not to exceed \$100,000 in amount from any one such bank).
- (5) Common stocks, preferred stocks, option devices, obligations denominated in foreign currencies or managed funds are not considered appropriate investments for these funds.