

US SAILING FOUNDATION TRUSTEES' MEETING

Hilton Cincinnati Netherlands Hotel, Cincinnati, Ohio

Saturday, March 15, 2003

MINUTES

Present: Sarah Alger, Ruth Creighton, Bruce Eissner, Hortensia Hacker, Robert Hobbs, Dave Irish, Stephen Jeffries, Peter Reichelsdorfer, Ding Schoonmaker, Pat Seidenspinner.

1. Minutes.

Motion: A motion to accept the minutes of the October 18, 2002 meeting was made, seconded and approved.

2. Treasurer's Report.

Hortensia Hacker reported that she conducted due diligence regarding USSF's financials with US SAILING staff, USSF's auditors, and the US Olympic Foundation (USOF). As part of this due diligence, she has requested that all USSF trustees be covered by US SAILING's insurance.

In speaking with USOF, she reviewed the policies, procedures, performance, and agreements of USOF. She found everything to be in good order. USOF's investments are in balance, and its return is consistently superior to the market over the long term.

The funds available for grants for General Fund Programs has decreased significantly due to minimal raising of new funds, the recent investment market, past grants, and the loss of revenue from US SAILING Offshore teams. The auditors recommended that the foundation trustees give carefully consideration before granting of additional funds in the next fiscal year. The Treasurer recommended that USSF not consider any new grants from unrestricted funds at this point, and that the trustees address the need for fundraising.

She also noted that the current version of the bylaws is out of date.

- *Motion:* a motion was made, seconded, and approved to initiate a bylaw change to correct our fiscal year (November 1 to October 31).
- *Motion:* a motion was made, seconded, and approved to initiate a bylaw change to separate the treasurer functions of USSF and US SAILING.

It was requested that the trustees receive monthly financial statements.

USSF received a clean financial opinion from the auditor. A number of issues were raised in the management letter. The trustees were unanimous in their support of the continuation of USSF. They addressed the issues as follows:

Common Controls: There is substantial overlap between the board of US SAILING and USSF. A working party will be appointed to address the bylaws. The Trustee's authorized a more visible separation of USSF's funds from US SAILING's funds.

- *Motion:* A motion was made, seconded and approved to direct the treasurer to establish a separate USSF account with US Olympic Foundation in USSF's name.
- *Motion:* A motion was made, seconded and approved to request that the secretary explore the cost and steps required to establish a separate presence for USSF on the US SAILING website.

Segregation of Duties. Segregation of duties will be implemented, as recommended in the management letter.

Cash. Cash reconciliation and review as recommended in the management letter will be implemented.

Disbursement Authorization and Cash Control. It was recommended (1) that two signatures be required, that (2) the list of signatories be expanded to the bookkeeper, Inshore Director, Olympic Director and the USSF Treasurer, and (3) that one of the signatories on checks over \$250 be the treasurer.

- *Motion:* a motion was made, seconded and approved to authorize Kristin Holder, Lee Parks, Jonathan Harley and Hortensia Sampedro, as signatories on USSF's bank account.
- *Motion:* a motion was made, seconded and approved to establish greater internal control and designate the treasurer as a required signatory on all checks above \$500.

Hortensia Hacker will work closely with staff to ensure that the new process does not unduly inhibit speedy payments to our athletes.

Acknowledgement to Donors

All donor acknowledgement letters above \$250 will be prepared for the Treasurer's or President's manual signature. Copies will be retained electronically in the USSF files.

Staff Administration Expenses

The staff will estimate their time so they can be allocated to USSF.

Fundraising: Administrative Expenses

Any deviation from the policy for designated accounts must have the prior approval of the Trustees, as is currently required.

Designated Sailor Accounts and Remnant Funds

A summary report of said balances is to be provided monthly to the Treasurer. The administrative staff will submit regular statements to the athletes regarding the balances in their accounts. The administrative staff will notify athletes with unused funds in designated accounts from previous campaigns, according to policy.

Investments and Net Accounting

- *Motion:* a motion was made, seconded and approved that the Treasurer and one other Trustee appointed by the President will carry out an annual review of the management of the investment pool and report their recommendations to the board.

Stephen Jeffries was appointed.

Noncash Donations

- *Motion:* a motion was to authorize the foundation to establish a separate brokerage account in its name to enable it to handle such transactions on its own behalf.

Other Action Items:

- Purchase orders \$100 or above will be co-signed by the Treasurer.
- The treasurer will continue to sign all required filings with tax authorities.
- Any pending or threatened litigation, claims, or assessments or unasserted claims or assessments will be immediately
- All notifications of laws, regulations, and provisions of contracts and grant agreements applicable to USSF will be copied to the Treasurer upon receipt by USSF.
- All related parties' transactions, including revenues, expenses, loans, transfers, leasing arrangements and guarantees, and amounts receivable from or payable to related parties will be co-signed by the President and the Treasurer.
- All guarantees, whether written or oral, under which USSF is contingently liable will be co-signed by the President and Treasurer.
- No change of titles, liens or encumbrances will take place without the prior written agreement of the President and the Treasurer.

4. General Fund Programs - 2003 Additional Requests.

Interscholastic Sailing Association has requested additional funds to support international travel, to send an additional team to England, as well as funds to support organizing high school competition in the United States.

Executive Session

Motion: a motion was made, seconded and approved to allocate \$3,000 from the Schoonmaker Fund to ISSA for international travel in 2003.

The meeting was adjourned at 4:30 p.m.

Sarah J. Alger, Secretary

Distribution: USSF Trustees, US SAILING Board of Directors, US SAILING staff director