

US SAILING FOUNDATION
BOARD OF DIRECTORS MEETING
MINUTES

Chicago Yacht Club, Chicago, IL
November 13, 2019

Attendees: President Dave Rosekrans, Vice President Bruce Burton, Treasurer Johnny Lovell, Roger Gatewood, CEO Jack Gierhart, Tom Hubbell, Gary Jobson, David Loring, Jim Muldoon, Cory Sertl, Secretary Lee Parks

Guests: US Sailing Treasurer John Schoendorf, US Sailing Secretary Martine Zurinskas, Henry Brauer, William Ruh, Brian Keane, Tarasa Davis, Glenn Darden, Russ Lucas, John Seigmeister, Clark Chapin

Staff: Georgia McDonald, Lorie Anderson, Katie Alley, Katie Ouellette

1. President Dave Rosekrans brought the meeting to order at 2:00pm CT. Dave thanked everyone for coming. Board members and attendees introduced themselves. Cory Sertl invited the USSF Board members to the US Sailing Board meeting the following morning.
2. **President's Report** – To defuse any prior misinformation that had been published, Dave Rosekrans described the different funds in the Foundation. See the attached President's Report for more detail.
 - a. **Restricted Fund** (Endowment) - The donor gives money for a specific purpose and asks that it be maintained in perpetuity or until released by the donor. (e.g. creates an endowment). The word endowment must be used carefully to avoid audit and tax examiner problems. The principal may not be used, only the earnings of the investment. The Rhode Island version of UPMIFA does have a clause that says spending over 7% of the trailing 12-month average market value of the endowments does indicate a rebuttable presumption of imprudence.
 - b. **Temporarily Restricted Fund** – This term is used for the amounts over and above the required amount of the initial donation in an endowment. Additional gifts under the endowment may be designated by the donor as to add to the endowment or used as temporarily restricted. The Sailor's Grant/Schoonmaker Fund is a temporarily restricted fund.
 - c. **Unrestricted Fund** – Any donations prior to the restructuring of the USSF in 2016 and including later earnings, without designation for a specific purpose. This definition applies only to the USSF Designated Funds on the accounting report.
 - d. **Board Restricted** – A sub-category of Unrestricted which has no legal restriction; however, the USSF or US Sailing Board has passed a resolution stating that the funds are only to be used for a specific purpose.
 - e. The current rules are that the US Sailing CEO, as sole member, may approve restricted donations between \$25,000 and \$500,000. The USSF Board must approve donations above \$500,000. Donations under \$25,000 may be accepted without the approval of the US Sailing CEO. Once the new structure of fundraising is agreed, these limits should be reviewed.
3. **USSF Strategy** – Jack Gierhart and Bill Ruh led a discussion on the vision for the Foundation in the future. The highlights:
 - a. USSF and USSA would be separate organizations with independent boards,

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- b. Profession money management,
- c. 100% of donations would go into a permanent endowment focused on the mission, the focus - Olympic and youth,
- d. \$100M to be raised by 2028.

Motion: USSF endorses the new vision for fundraising. Motion passed.

4. Consent Calendar

Approval of Minutes – Motion: To approve minutes of the last meeting on 12/27/2018 and to ratify the vote on 7/14/2019 to approve the 2018 USSF Form 990. Motion passed.

- 5. **Investment Report** – John Schoendorf reviewed the investment report. Funds will tie to the balance sheet from now on, improved reporting in the future. The Seibel funds are in a money market fund and the other funds are in the USOF (as of May 2019).
- 6. **Fundraising Report** – Georgia McDonald review fundraising:
 - a. The 2018 spike is primarily due to two donors.
 - b. The average gift is \$1000 more than industry norms.
 - c. Planned giving to start in 2020.

7. Nomination of USSF Board & Trustees

Motion: To recommend that US Sailing Board approve the following people for the USSF Board of Directors: Motion passed.

Glenn Darden
Roger Gatewood
Jack Gierhart
Gary Jobson
David Loring
Johnny Lovell
James Muldoon
Lee Parks
Dave Rosekrans
William Ruh
Cory Sertl

Motion: To recommend that US Sailing Board approve the following people for the USSF Trustees: Motion passed.

Bruce & Jane Burton
Steve & Michelle Meheen
James Schoonmaker
Tom & Stacey Siebel

Dave Rosekrans appointed the following people to the USSF Grants Committee:

Dave Rosekrans
Johnny Lovell
James Muldoon
Lee Parks
James Schoonmaker

8. Bylaw Changes & Whistleblower Policy

Motion: To approve the proposed USSF bylaw changes and new whistleblower policy. Motion passed.

9. Report of the Grants Committee

2020 Sailors Grants

Motion: To approve the grants as detailed in the recommendations. Note this will close the Walker Fund. The grant to ISSA may also establish a precedent for grants to ISSA for the ISSA national championships.

Snipe Women's Worlds (BRA, Oct 2020)	\$2,000
505 Worlds (SWE, Aug 2020)	\$4,000
Lightning Europeans (GRE, June 2020)	\$3,000
TOTAL	\$9,000

Motion: To approve \$9K in grants to classes from the Schoonmaker Fund.

Sailing Leadership Forum (San Diego, Jan 2020)	\$4,000
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Motion: To approve \$4K in grants from the Unrestricted Fund.

Optimist Worlds (ITA, July 2020)	\$4,000
Techno 293 Worlds (ITA, Oct 2020)	\$2,000
ISSA* : Mallory & Baker Championships (May, 2020)	\$2,000
2020 Wilson Trophy (GBR, May 2020)	\$2,000
World Sailing Youth Match Racing Champs (NZL, Feb 2020)	\$2,000
TOTAL	\$12,000

Motion: To approve \$12K in grants from the Walker Fund. All four grant motions passed.

Tuna Fund

Motion: To move the Tuna Fund under the authority of the Grants Committee. Motion passed.

10. Old Business

USSF will elect its own officers via e-vote once the US Sailing Board approves the directors.

11. New Business - none

12. Adjourn

Meeting adjourned at 4:03pm.

Respectfully submitted,

Lee Parks, Secretary

Date

Attachment A: President's Report

Distribution: USSF Board of Directors & Trustees, US Sailing Board of Directors

Attachment A: President's Report

President's Report – Dave Rosekrans – 11/13/2019

As you know, I am stepping down as President of the USSF. Lee and I are proud of what the Foundation has done for many years. We look forward to an enlarged and better role for the Foundation in the future.

I will go into more detail than usual for the benefit of the new members and to clarify and record the current status. In October 2016, the USSF adopted new Bylaws to broaden the mission and change the structure. The USSF is operating as a supporting foundation to US Sailing and the Chief Executive Officer is designated as the sole agent. Over the years laws have changed, records have been lost, and errors made, so some of the following may be different than previous documents and memories.

As we go through the meeting please ask questions and offer advice as the restructuring is a continuing effort.

US Sailing Foundation Designated Funds

The US Sailing Foundation has designated funds which follow the guidelines of Generally Accepted Auditing Practices (GAAP) and the Uniform Management of Institutional Funds Act (UPMIFA).

Restricted – (Endowment) - The donor gives money for a specific purpose and asks that it be maintained in perpetuity or until released by the donor. (e.g. creates an endowment). The word endowment must be used carefully to avoid audit and tax examiner problems. The principal may not be used, only the earnings of the investment. The Rhode Island version of UPMIFA does have a clause that says spending over 7% of the trailing 12 month average market value of the endowments does indicate a rebuttable presumption of imprudence.

Temporarily restricted – This term is used for the amounts over and above the required amount of the initial donation in an endowment. Additional gifts under the endowment may be designated by the donor as to add to the endowment or used as temporarily restricted.

Unrestricted – Any donations prior to the restructuring of the USSF in 2016 and including later earnings, without designation for a specific purpose. This definition applies only to the USSF Designated Funds on the accounting report.

Board Restricted – A sub-category of Unrestricted which has no legal restriction; however, the USSF or US Sailing Board has passed a resolution stating that the funds are only to be used for a specific purpose.

The current rules are that the US Sailing Director, as sole member, may approve restricted donations between \$25,000 and \$500,000. The USSF Board must approve donations above \$500,000. Donations under \$25,000 may be accepted without the approval of the US Sailing Director. Once the new structure of fund raising is agreed, these limits should be reviewed.

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Restricted Funds

- 1. The Tuna Fund** was established in 2008 as an endowment to promote quality umpiring in support of match and team racing in the US and around the world. A detailed document guides the operation of the Tuna Fund under the Umpires Committee. In practice, the Umpires Committee works with the US Sailing staff Race Administration Director to request reimbursement for travel expenses in support of umpires. The Race Administration Director currently submits these to the USSF.
- 2. Olympic Program Endowment** was established by Charlotte and Walter Kohler to support Olympic and Paralympic programs; 20% for youth and emerging talent, 10% for disabled sailing initiatives, up to 5% for administrative support and the remainder for athletes engaged in Olympic campaigns. The US Sailing Olympic Committee requests use of the temporarily restricted portion as it accumulates to a meaningful amount.
- 3. Olympic Medalist Endowment** is to provide support to the USA Olympic and Paralympic teams with no designation as to use. The US Sailing Olympic Committee has not requested funds from this fund in some time. I believe it was the intention of Bill Martin that his donation would start a large Olympic endowment.

Temporarily restricted funds

- 1. Sailor's Grants** Ding Schoonmaker established the Sailor's Grants in 1985 to assist winning sailors in the US to go to international competition. Over \$1,000,000 has been granted which we believe has been important in raising the level of competition in the US and in building support for US Sailing. We have a letter on file from Ding stating it is not an endowment. The grant requests are submitted annually by boat classes and sailing governing bodies. Grant amounts are recommended by the Grants Committee for approval by the USSF Board. In addition, from the unrestricted funds, a grant is made to the Sailor Leadership Forum for travel scholarships for those who might not be able to afford attending.
- 2. The Walker Fund** was a single donation without designation by a friend of Ding Schoonmaker; therefore the distributions have been aligned with the Sailor's Grants. The Sailors Grants this year, if approved, will close the Walker Fund.

Board Restricted Funds

"These two funds were established in 1997 at the behest of Bill Martin and Bob Hobbs from contributions from those of us around the table that with 100 years of growth there should be enough money to have a darn good party to celebrate and to publish a volume similar to the one for the 100th." (written by Bob Hobbs)

- 1. The Second Century Fund** was established at the time of the 100th anniversary of US Sailing to prepare the Bicentennial history of US Sailing and any extra is to have a celebration.

2. **The Bicentennial Fund** was established to publish the Bicentennial history of US Sailing.

Unrestricted Funds

The unrestricted funds are used for grants not fitting under the Sailors Grants program such as the Sailing Leadership Forum scholarships. At the time of the restructuring of the USSF and US Sailing, we were assured that these unrestricted funds will not be removed from use by the Grants Committee.