

**FINANCE COMMITTEE MINUTES**  
September 25, 1987

- A. Minutes from last year's convention  
MSC to approve last year's minutes as presented.
- B. Treasurer's report  
MSC to accept the report.
- C. Comptroller's report  
Suzanne Rague assumed the Controller's position following Diana Todd's resignation, effective 6-30-87. The financial records of the Corporation have been placed into computer files. A year-to-date report as of 8-31-87 was given, showing an excess of revenues over expenses of \$18,583. MSC to accept the report.
- D. Tina Martin Correspondence 8-19-87  
MSC to write-off a \$100 account receivable relating to 20 1987 calendars, pursuant to a request from Tina Martin. Following discussion of the above, MSC to add as item #8 to Financial Operating Guidelines (FOG) specifying that USMS will grant credit only to LMSC's in good standing for items purchased out of inventory; credit will not be granted to individuals.
- E. Finance Committee Policies and Positions  
MSC to reaffirm the descriptions of the positions and duties of the Treasurer, Finance Committee and Audit Committee as now stated in the Code.  
MSC that wherever the title of "Comptroller" appears throughout the Code, that it be replaced by the title "Controller".  
MSC to reaffirm the description of the position and duties of the Controller, except for Section III.1.(2)(e), which the Committee recommends be amended as follows:  
"Prepare quarterly financial summaries of the Corporation's financial status within one month following the end of each fiscal quarter."  
MSC to modify the Investment Policies of USMS as follows (see Exhibit "C"):
1. Delete and replace the opening statement.
  2. In Section (3), the reference to (4)(c) is changed to (5)(c).
  3. Add a new Section (4), and renumber the following Sections.
  4. Amend the newly numbered Section (5) to delete all references to all monies other than the reserve fund.
- MSC To request that prior to the next Convention that the Legislation and Executive Committees study the issue of under what circumstances changes to the budget and/or expenditures not currently permitted under the budget can be made by the Executive Committee.
- Domestic Travel Reimbursement:  
MSC to amend the Financial Operating Guidelines (as approved by the House of Delegates at the 1986 convention), to add

Section 9, which adds the convention expenses as approved in Agenda item V. J., and to amend Section 5 to indicate that reimbursement of expenses are subject to the limitations of Sections 1, 2 and 9 (see Exhibit "D").

International travel reimbursement:

MSC to add Section 10 to FOG stating that air fare and room, but not board, expenses of only the USMS President for travel to and attendance at FINA/MSI World Championships are appropriate items for reimbursement by USMS.

MSC to add Section 11 to FOG stating that air fare and room, but not board, expenses of only the USMS representative for travel to and attendance at the FINA Masters Technical meetings are appropriate items for reimbursement by USMS.

MSC to add Section 12 to FOG stating that air fare and room, but not board, expenses of only the USMS representative for travel to and attendance at MSI meetings are appropriate items for reimbursement by USMS.

MSC that the Finance Committee recommends to the President that when and if possible the positions of USMS

representatives international organizations be combined.  
National Office and Registrar expenses charged to other accounts:

MSC to add Section 13 to FOG stating that on a quarterly basis the Controller will supply to the Executive Secretary a listing of all items charged to the budgets of officers and/or committees for the previous 3 months that were not approved for reimbursement by that same officer and/or committee. The Executive Secretary is required to then notify the affected parties within 30 days.

Convention expenses:

MSC (3-2) to add Section 14 to FOG stating that the officers' air fare be included in the budgets of the individual officers, with all other allowable expenses while at the convention location to be included in the Convention Committee budget.

MSC to add Section 15 to FOG stating that all individuals and committees who are responsible for items that are carried on the Corporation's financial records as inventory shall maintain proper inventory control records.

MSC to add Section 16 to FOG stating that the price of patches and certificates should be established at the cost of the items plus mailing costs, rounded up to the nearest \$1.00.

F. Income Projections

Assumptions: Individual registrations will be 30,000, which is approximately an 11% increase over 1987. Club registrations are projected to remain the same as 1987, as are LMSC's. Championship meet surcharge is expected to increase due to the inclusion of Masters Long Distance Swimming under USMS. (See Exhibit "A" for details.)

G. Expenditure Requests

Information: Liability insurance continues to increase at a high rate, although medical insurance coverage costs appear to have decreased slightly. The Registrar's and the

Executive Secretary's contracts are both to be renegotiated at this convention, and increases are expected. (See Exhibit "A" for details.)

H. Inventory Acquisition Requests

Information: The Marketing Committee is requesting monies for new brochures describing USMS, decals, and the 1989 version of the calendar. (See Exhibit "A" for details.)

I. Capital Expenditure Requests

Information: There are two competing requests for software development. One is for the development of a comprehensive package to capable of handling registration, meet management, and Top 10, while the other is for registration alone. (See Exhibit "A" for details.)

MSC to approve in total the budget items as shown on Exhibit "A".  
(COMMENT: While the 1988 budget reflects a negative cash flow of \$30,370, our actual cash position over the past two years has been significantly in excess of our stated reserve target of \$100,000. In addition, this committee has consistently attempted over the past several years to be conservative in its revenue projections, particularly in the area of individual membership growth. Expenses have typically been less than the budgeted amounts.)

J. Tax Returns of LMSC's

MSC to add a Section 16 to FOG stating that any active LMSC without a taxpayer I.D. number must pay a \$100 LMSC registration fee per year (rather than the standard \$10) until the USMS Controller receives written notice of the LMSC's taxpayer I.D. number and advises the National Registrar. (Note: the only known affected LMSC's are Montana, Wyoming, and West Texas).

K. New Business

MSC to recommend to the House of Delegates that the Controller be made a member of the Board of Directors of USMS.

The meeting adjourned at 1:00 a.m. 9-26-87.

Attendees:

Committee members: Lucy Johnson (Chairman), Nick Fazzano, Reg Richardson, William Tingley, Kris Wingenroth, Michael Laux, Mike Calwell, Dick Smith, Jack Buchanan, Frank Tillotson. Ex-Officio: Kevin Kelly, Suzanne Rague, Jo May, Tom Boak.

Non-committee members: Margaret Samson, Jim Goodenough, Elfriede Rogers, Dave Zander, Dan Ferguson, Jane Moore, Barbara Friel, Ted Haartz, Michael Heather, Tom Spear, Tom Lyndon, Warren Geil, Marylou Schulz, Ruth Winn, Dick Pittman, Bill Mullikan, Diane Reed.

## EXHIBIT "B"

14-Sep-87

 UNITED STATES MASTERS SWIMMING, INC.  
 1987 FINANCIAL STATEMENTS - 1ST 8 MONTHS  
 STATEMENT OF INCOME  
 -----

 8 Months ended  
 August 31, 1987  
 -----

 OPERATING REVENUES  
 -----

Registration Fees	\$74,747.50
Other Registration Revenue	3,264.64
Calendars	1,298.00
Patches	1,183.00
Championships Meets	3,200.00
Grants	0.00
Other	672.93
	-----
Total Operating Revenues	\$84,366.07

 OPERATING EXPENSES  
 -----

Insurance	\$24,595.00
Calendar	1,204.02
Newsletter	9,181.14
Officers	2,968.23
Committees	1,606.55
Office - Secretary Contract	12,000.00
- Expense	2,754.78
Registrar	8,870.58
Rule Books	2,500.00
Registration Expenses	3,466.29
Zones	190.09
Patches & Certificates	298.78
Depreciation	1,429.50
All Other	668.39
	-----
Total Operating Expenses	\$71,733.35
Total Operating Income	\$12,632.72
	=====

 NON-OPERATING INCOME  
 -----

Interest & Dividend Income	\$5,950.00
Commissions & Expenses	(0.00)
	-----
Net Non-Operating Income	\$5,950.00
	-----
Net Income	\$18,582.72
	=====

EXHIBIT "C"

UNITED STATES MASTERS SWIMMING, INC.  
INVESTMENT POLICIES

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

(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 3 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 (5)(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) Cash in excess of both of i) the operating requirements in paragraph (3) above and ii) the \$100,000 reserve fund may be invested in short term, fixed income money market funds at the discretion of the Treasurer. Such funds are to be selected among the following:

Merrill, Lynch  
Dreyfus

Fidelity  
T. Rowe Price

(5) The reserve fund should be invested as follows:

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

1. marketable, direct obligations of the United States of America maturing within one year from the date of acquisition thereof,
2. 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
3. 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 (such certificates of deposit not to exceed \$100,000 in amount from any one such bank).

(6) Common stocks, preferred stocks, option devices, obligations denominated in foreign currencies or managed funds are not considered appropriate investments for these funds.

EXHIBIT "A"

USMS  
FINANCE COMMITTEE  
REVENUE BUDGET

B=budget  
A=actual

09/26/87

	F1985 A	F1986 A	STUB A	1987 B	thru 6-30 1987 A	1988 B	% Incr. over 1987 B
4010 REGISTRATION FEES - INDIVIDUAL	62083	73739	39559	122500	58933	150000	22.4%
4020 REGISTRATION FEES - CLUBS	3120	3580	2040	3600	1240	3600	0.0%
4030 REGISTRATION FEES - LMSC's	500	580	410	580	60 ?	580	0.0%
4040 LISTS	165	310	41	0	185	0	ERR
4050 LABELS	731	509	956	0	985	0	ERR
4060 TRANSFERS	352	467	58	0	277	0	ERR
4070 RULE BOOKS	272	234	0	0	102	0	ERR
4080 SHIPPING	85	3	0	0	70	0	ERR
4090 OTHER REGISTRAR'S INCOME	-15	332	79	0	-81	0	ERR
4150 CHAMPIONSHIP MEET SURCHARGES	3910	2164	0	2000	2328	2750	37.5%
4160 CALENDARS		0	15508	36000	1322	20000	-44.4%
4170 CALENDAR SPONSOR INCOME						0	0
4200 PUBLICATIONS SALES			12	0	32	125	
4250 ALL-AMERICAN PATCHES	540	841	0	1000	710	750	-25.0%
4260 CHAMPIONSHIP PATCHES	1150	355	0	0	0	550	
4450 GRANTS		2000	0	2000	0	2000	0.0%
4500 OTHER	457	14	0	0	502	20	
4900 INTEREST	5237	2752	1553	6000	2326	9000	50.0%
4910 DIVIDENDS	2977	2565	0	0	86	0	
<b>TOTAL INCOME (BUDGET)</b>	<b>81564</b>	<b>90445</b>	<b>60216</b>	<b>173680</b>	<b>69077</b>	<b>189375</b>	<b>9.0%</b>
(1) For the 7 months ended 7-31-84							
<b>USMS CASH FLOW SUMMARY</b>	<b>32156</b>	<b>-13660</b>	<b>8176</b>	<b>-8580</b>	<b>20572</b>	<b>-30370</b>	<b>254.0%</b>

*-20370*

USMS  
FINANCE COMMITTEE  
EXPENSE BUDGET

	F1985 A	F1986 A	STUB A	1987 B	thru 6-30 1987 A	1988 B	% Incr. over 1987 B
5011 LIABILITY INSURANCE	15157	24895	21862	10000	5000	13750	37.5%
5012 ACCIDENT INSURANCE				48614	9181	45000	-7.4%
5013 DIRECTRS & OFFCRS' INSURANCE				3986	0	6500	63.1%
5050 PRESIDENT	613	3539	222	2360	1762	4150	75.8%
5060 VICE PRESIDENT	697	483	453	850	74	1000	17.6%
5070 SECRETARY	632	567	748	950	45	1250	31.6%
5080 TREASURER	385	2645	456	1200	0	700	-41.7%
5100 NATIONAL OFFICE (EXEC.SEC.)							
5101 Salary	2800	16800	5252	18000	7500	21000	16.7%
5102 Administrative Expenses	3490	3983	1365	5700	1754	7050	23.7%
5103 All-Amer. Patch Expense		563			98	200	
5104 TOTAL - NATIONAL OFFICE	6290	21346	6617	23700	9352	28250	40.4%
5150 REGISTRAR							
5151 Expenses	)	)	)	)	0		
5152 Contract	8404	10440	5991	12000	6142	17500	45.8%
5153 TOTAL - REGISTRAR	8404	10440	5991	12000	6142	17500	45.8%
5200 CONTROLLER	146	53	10	100	0	700	600.0%
5250 AUDIT	0	36	0	100	0	100	0.0%
5270 CHAMPIONSHIP COMMITTEE	801	510	441	1400	19	<del>4375</del> 2375	-1.8% (1)
5290 CONVENTION COMMITTEE	2406	4700	4282	5000	0	6500	30.0%
5310 EXECUTIVE COMMITTEE	0	0	20	250	0	250	0.0%
5330 FINANCE COMMITTEE	202	20	7	250	7	100	-60.0%
5350 INTERNATIONAL COMMITTEE	100	1657	0	150	0	250	66.7%
5370 LEGISLATION COMMITTEE	0	32	14	280	0	125	-55.4%
5390 LONG DISTANCE COMMITTEE	117	44	69	260	22	1340	415.4%
5410 LONG RANGE PLANNING COMMITTEE	300	147	0	350	58	500	42.9%
5430 MARKETING COMMITTEE	4141	290	187	21700	0	5350	-75.3%
5450 RANSOM ARTHUR AWARD COMM.	201	86	6	100	85	100	0.0%
5470 RECORDS AND TABULATION COMMITTEE	94	114	134	350	0	350	0.0%
5490 REGISTRATION COMMITTEE	2174	3135	0	100	64	200	100.0%
5510 RULES COMMITTEE	0	0	0	100	0	100	0.0%
5530 SPORTS MEDICINE COMMITTEE	163	167	0	1100	0	1050	-4.5%
5550 ZONE CHAIR	178	241	69	400	46	400	0.0%
5551 BREADBASKET ZONE	12	)	)	)	)		
5552 COLONIES ZONE	41	)	)	)	)		
5553 CONTINENTAL DIVIDE ZONE	22	)	)	)	)		
5554 DIXIE ZONE	0	)	)	)	)		
5555 HEARTLAND ZONE	9	)	)	)	)		
5556 OCEANA ZONE	0	)	)	)	)		
5557 SOUTH CENTRAL ZONE	122	)	)	)	)		
5600 AD HOC COACHES COMMITTEE			49	150	0	125	-16.7%
5610 AD HOC COMPUTERIZATION COMM.						1000	n/a
5620 AD HOC RULEBOOK COMMITTEE			3	160	28	250	56.3%
5700 HISTORIAN	500	500	0	100	0	300	200.0%
5720 LEGAL COUNSEL	505	37	19	150	66	500	233.3%
5740 LIAISON - FINA			0	1500	0	1550	3.3%
5760 LIAISON/DELEGATE - MSI			130	150	0	1150	666.7%
5780 LIAISON - USS	0	0	0	100	0	100	0.0%
GRANT EXPENDITURES						1500	
5820 HALL OF FAME CONTRIBUTIONS	1118	1101	0	1225	0	1500	22.4%

USMS  
FINANCE COMMITTEE  
EXPENSE BUDGET

	F1985 A	F1986 A	STUB A	1987 B	thru 6-30 1987 A	1988 B	% Incr. over 1987 B	
5830 MEMBERSHIP FEES - USAS/MSI	0	0		0	250	250		
5840 NEWSLETTER	0	11006	6872	16000	2780	19000	18.8%	
5850 REGISTRATION EXP. - RULE BOOKS	2000	1990	1152	5700	2093 ?	2500	-56.1%	
5851 REGISTRATION EXP. - ALL OTHER						3000		
5860 SWIM MASTER SUBSCRIPTIONS					164	580		
5950 DEPRECIATION	790	450	150	460	1072	2100	356.5%	
5980 MISCELLANEOUS	1878	260	0	500	0	<del>3000</del>	500.0%	
5987 (WAS ALL-AMERICAN COMMITTEE)		0			0	<del>2000</del>		1000 to Sports Med.
5988 (WAS TABULATION COMMITTEE)	0	0						
5990 YEAR END ADJUSTMENT						0		
<b>SUBTOTAL EXPENSE ITEMS</b>	<b>50198</b>	<b>90491</b>	<b>49963</b>	<b>161845</b>	<b>38310</b>	<b>175295</b>	<b>8.3%</b>	
<b>CAPITAL EXPENDITURES</b>								
1501 CHAMPIONSHIP COMM. - SOFTWARE	0	0	0	0		0		
1520 NATIONAL OFFICE - EQUIPMENT	0	0	1890	0	7505	0		
1521 NATIONAL OFFICE - SOFTWARE						0		
1522 NATIONAL OFFICE - FURN.& FIX.						0		
1540 REGISTRAR - EQUIPMENT						0		
1541 REGISTRAR - SOFTWARE						5000		(2)
1541 REGISTRAR - SOFTWARE						<del>15000</del>		(2)
1581 CONTROLLER - SOFTWARE				500				
<b>SUBTOTAL CAPITAL EXPENDI</b>	<b>0</b>	<b>0</b>	<b>1890</b>	<b>500</b>	<b>7505</b>	<b>20000</b>	<b>3900.0%</b>	
<b>INVENTORY EXPENDITURES</b>								
1300 ALL-AMERICAN PATCHES				0	266	500		
1300 CHAMPIONSHIP PATCHES				0	2500	550		
1301 ALL-AMERICAN CERTIFICATES						0		
1340 MRKTG.COMM.-CALENDAR PRODUCTIO	0	14064	328	20000	992	20000	0.0%	
1341 MRKTG.COMM.-ADAPTIVE HANDBOOK	0	0	9	375	4	0	-100.0%	
1342 MRKTG.COMM.-BROCHURES			0	0	0	6000		
1344 MRKTG.COMM.-DECALS						4500		
<b>SUBTOTAL INVENTORY EXPEN</b>	<b>0</b>	<b>14064</b>	<b>337</b>	<b>20375</b>	<b>3762</b>	<b>31550</b>	<b>54.8%</b>	
<b>TOTAL EXPENSES (BUDGET)</b>	<b>50198</b>	<b>104555</b>	<b>52190</b>	<b>182720</b>	<b>49577</b>	<b>226845</b>	<b>24.1%</b>	
LESS: DEPRECIATION	790	450	150	460	1072	2100	356.5%	
LESS: DUPL. SOFTWARE EX						<del>5000</del>		
<b>TOTAL CASH EXPENSES</b>	<b>49408</b>	<b>104105</b>	<b>52040</b>	<b>182260</b>	<b>48505</b>	<b>219745</b>	<b>-332.4%</b>	<b>0</b>

(1) Fin. Comm. disapproved the request for reimbursement for travel for both visits to Nat'l. Champ. sites. MSC to enforce existing rule following the 1988 Long Course Nationals.

(2) If the \$15,000 for the Ad Hoc Computerization Comm. is approved, the Registration Comm. request will be dropped. If the \$15,000 is rejected, the Registration Comm. request is approved.

2016  
209775  
212,195

2, 16.



USMS 1987 Convention  
Hyatt Regency, Atlanta Georgia

Committee FINANCE

Chairman Lucy JOHNSON Recorder Upstayer

Voting Members:

- |                              |                                |
|------------------------------|--------------------------------|
| NICHOLAS FAZZANO             | Kevin Kelly ex officio         |
| Suzanne Rague                | Jo May ex officio              |
| Reg W. Richardson            | Michael W. Harvey              |
| William T. J. J.             | Mike H. Caldwell               |
| Kris Wingenroth *New Address | 3830 Drummond Houston TX 77025 |

Non-voting members. Voice at the option of the Chair

- |                            |             |                             |
|----------------------------|-------------|-----------------------------|
| Frank H. Sullivan, Florida |             | Jack Buchanan - Colorado    |
| Margaret Samson SPM A      |             | Tom Spear - North           |
| Jim Goodenough             | Niagara     | TOM LYNDON NEW ENGLAND      |
| Dick Smith                 | Pacific     | WARREN GEIL SOUTH TEXAS     |
| Elfriede Rogors            | Pacific     | Marylou Schutz - Adirondack |
| David Zander               | IEA         | Luth Wilson - Pacific       |
| Dar Ferguson               | S. E. A.    |                             |
| Jane Moore                 | PNA         |                             |
| Barbara Ford               | Oregon      |                             |
| Red Hearty                 | N.E.        |                             |
| MICHAEL HEATHER            | SO. PACIFIC |                             |

Please attach a copy of the minutes of the meeting to this form and return it as soon as possible to Nancy Ridout, USMS Secretary. Must be handed in before you leave the Convention.

All committee actions require approval of the House of Delegates. Any such actions must be handed to Nancy Ridout prior to the House of Delegates meetings.