

USMS FINANCE COMMITTEE
Minutes of 3rd Session
Friday, September 26th, 1997

The Committee reconvened at 2:40 p.m. The Committee briefly reviewed the fact that two overbudget items were approved in the spring of 1996 relating to Marketing Committee budget. Because of the lack of adequate information at this meeting, action is being deferred. It is the recollection of the Committee that these items were approved for overbudget.

The Committee discussed the issues concerning the creation of the USMS Endowment. Pending the creation of the more formal organization structure for the management of the Endowment, the Committee believed that it was premature to put anything in the budget for initial funding. **On motion duly made, seconded and adopted, the Committee tabled discussion of Finance Committee action on the Endowment until 1998.**

A discussion was then begun on FOG amendments. The first two noted changes were in VI. D. 3 where the word "of" was deleted from the first line after the word "amount," to correct a scrivener's error. Also, in VI. A., the word "an" was deleted in the first line after the word "Chairmen," to correct a scrivener's error. In VI. B. 2. a. , the words "...shall be reimbursed." at the end of the sentence was added to give proper meaning to the sentence.

Discussion of FOG was interrupted in order to permit the hear a report from Jeff Moxie on his review of the financial statements and records. It was noted that Piper Jaffray was not yet on the approved list in FOG. **On motion duly made, seconded and adopted, the Committee agreed to add Piper Jaffray as an acceptable company to invest with pursuant to FOG section V. A. e. (2) and to amend that section accordingly.**

It was noted that the Dreyfus account management has been nonresponsive to our requests for information and it was recommended we terminate our account by Jeff. **On motion duly made, seconded and adopted, the Committee recommended that the USMS Treasurer discontinue the relationship with Dreyfus on or before October 31st, 1997, with the assistance of Suzanne Rague, and to amend FOG V. A. e. (2) to delete Dreyfus from the acceptable list.**

The need to avoid the concentration of funds was brought up by Jeff. Adding additional approved companies to FOG seemed one way of addressing this issue. The need to avoid exceed FDIC insurance limits of \$100,000 in any account was discussed. It was noted that most brokerage accounts have additional insurance protection up to \$1 + million. **On motion duly made, seconded and adopted, it was recommended that the USMS checking account be maintained at levels below \$100,000.00.**

Jeff next noted the discrepancy between FOG requirements for deposit and reality. **It was recommended that no amendment be made to the 5 day requirement for deposit, but that continued efforts be made to streamline the deposit process.**

It was noted that the FOG requirement to maintain separate reserve accounts is not practical. **On motion duly made, seconded and adopted, Section V. B. of FOG was deleted in its entirety.**

It was noted that the requirement providing for quarterly budget reports from the controller was not being met. Check registers were needed from the Treasurer and because of there delay, further delay occurred. **It was agreed that FOG should be adhered to.**

It was noted that no unsigned contracts were forwarded to a Finance Committee member for review prior to execution as required by FOG during 1997. This is simply a comment to bring this to the attention of the Committee.

On motion duly made, seconded and adopted, the internal audit report was accepted.

The committee recessed at 3:55 p.m.

**USMS FINANCE COMMITTEE
Minutes of 4th Session
Friday, September 26th, 1997**

The Committee reconvened at 5:35 p.m.

On motion duly made, seconded and adopted, the Committee recommended the adoption of the 1998 budget per the attached exhibit and directed the Chair to present the budget to the House of Delegates.

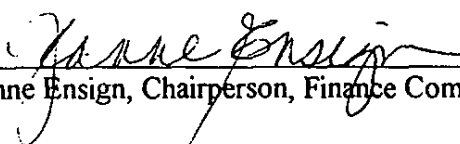
Additional FOG changes were then discussed. It was recommended by Lucy Johnson that Section III. A. by adding a new subparagraph 4 to read as follows: **"Expenses for entertaining dignitaries from other nations' Masters delegations by the USMS President and/or the USMS designated representative at FINA World Championships, Pan-Pacific Championships and/or FINA Masters Technical meetings shall be reimbursed by USMS up to an amount not to exceed either a) \$40.00 per guest per trip, or b) the total amount designated in the annual budget for such entertainment."** On motion duly made, seconded and adopted, the proposed change was recommended.

An additional change to Section III was proposed by Lucy. The proposal is to add a new subparagraph D and re-identify current subparagraph D as E, new D to read as follows: **"All vendors shall be notified at the time an order is placed to direct all invoices to the Executive Secretary at the National Office. The Executive Secretary shall confirm the order and receipt of items ordered with the authorizing cost center head, and then immediately forward the invoice to the Controller for payment."** On motion duly made, seconded and adopted, the proposed change was recommended.

The Committee directed the recording secretary to note in the minutes their appreciation to Jeanne Ensign for her excellent preparation and leadership of this Committee. In addition, special thanks were offered to Roy Abramowitz, Lucy Johnson and Jeff Moxie for their very important contributions to the work of the Committee.

The Committee then adjourned sine die at 6 p.m.

Respectfully Submitted,



Jeanne Ensign, Chairperson, Finance Committee

**Special Attachment
Action Items**

Upon motion duly made, seconded and unanimously adopted the Finance Committee recommends to the Planning Committee that the services of the facilitator be offered to other committee's of USMS when he/she is in attendance in order to get the most "bang" for our buck.

MSC
On motion duly made, seconded and unanimously adopted the Finance Committee directed the Chairperson of the Finance Committee to appoint an ad hoc committee consisting of members from the International Committee and the Championship Committee as well as Finance Committee to review FOG relative to a similar situation involving a USMS sponsored in the future and to report findings and recommendations at the next convention; that the conduct of the Pan Pac meet was not in compliance with FOG or the by-laws and the financial results from Pan Pac will not be included in the USMS financial report for 1997; that the apologies of those involved were duly noted and accepted.

On motion duly made, seconded and adopted, the Committee approved account 5170 adding \$50,000 to the budget for a compensation package for an executive director, subject to House of Delegates approval, and subject to Executive Committee refinement of the elements of the compensation package.

MSC
On motion duly made, seconded and adopted, the Committee agreed to add Piper Jaffray as an acceptable company to invest with pursuant to FOG section V. A. e. (2) and to amend that section accordingly.

MSC
On motion duly made, seconded and adopted, the Committee recommended that the USMS Treasurer discontinue the relationship with Dreyfus on or before October 31st, 1997, with the assistance of Suzanne Rague, and to amend FOG V. A. e. (2) to delete Dreyfus from the acceptable list.

TRB
On motion duly made, seconded and adopted, it was recommended that the USMS checking account be maintained at levels below \$100,000.00.

MSC
On motion duly made, seconded and adopted, Section V. B. of FOG was deleted in its entirety.

On motion duly made, seconded and adopted, the Committee recommended the adoption of the 1998 budget per the attached exhibit and directed the Chair to present the budget to the House of Delegates.

MSC
It was recommended by ^{the Finance Committee} ~~Lucy Johnson~~ that Section III. A. by adding a new subparagraph 4 to read as follows: ~~Expenses for entertaining dignitaries from other nations' Masters delegations by the USMS President and/or the USMS designated representative at FINA World Championships, Pan-Pacific Championships and/or~~

FINA Masters Technical meetings shall be reimbursed by USMS up to an amount not to exceed either a) \$40.00 per guest per trip, or b) the total amount designated in the annual budget for such entertainment.” On motion duly made, seconded and adopted, the proposed change was recommended.

MSC
A change to Section III was proposed. The proposal is to add a new subparagraph D and re-identify current subparagraph D as E, new D to read as follows: “All vendors shall be notified at the time an order is placed to direct all invoices to the Executive Secretary at the National Office. The Executive Secretary shall confirm the order and receipt of items ordered with the authorizing cost center head, and then immediately forward the invoice to the Controller for payment.” On motion duly made, seconded and adopted, the proposed change was recommended.