

# METROPOLITAN SWIMMING, INC.



## BOARD OF DIRECTORS MEETING

Wednesday, January 11, 2017

**PRESENT:** John McIlhargy, Mary Fleckenstein, Monique Grayson, John Yearwood, Eric Fisher, Scott Draper, Dave Ferris, Emily Sullivan and George Rhein.

**EXCUSED PRIOR:** Robert Frawley, Matt Keane and Julie Chen

**ABSENT:** Brian Hansbury, David Ellinghaus, Andy Copley, John Collins, Tommy Luchsinger and Edgar Perez

1. **WELCOME/ROLL CALL:** John "Mac" McIlhargy welcomed everyone present and called the meeting to order at 6:50pm at the H2M Melville Office, BroadHollow Rd in Melville, Long Island
2. **ACCEPTANCE/CORRECTIONS OF MINUTES:**

We did not have a quorum at the meeting so the minutes of November 16, 2016 could not be approved.
3. **GENERAL CHAIR:** John McIlhargy
  - a. **Welcome Emerson Michael Copley!** Congratulations to Andy and his wife!
  - b. **Happy New Year to All** – Lots of issues in 2016 as many Members of the Board lost loved ones over the year.
  - c. **Absences at Meetings** – last minutes cancellations are not considered as excused absences. All BOD meetings are scheduled almost a year in advance.
  - d. **Strategic Planning** – Meeting Scheduled for the 28<sup>th</sup> may be moved to February 4<sup>th</sup> – Mac will contact the members of that committee.
  - e. **New Year's Planning Reports** – need ideas, options to present to all on the Strategic Planning Committee.
  - f. **2017 Senior Metropolitan Championships** – After speaking to USA Swimming, we will be following the National format and going back to scoring A & B finals only. C & D Bonus finals will be non-scoring heats limited to 18-under swimmers only. Meet info is posted on the web site.
  - g. **New York Build & Program a Pool Conference** – Friday, June 16, 2017 at 7:30am to Saturday, June 17, 2017 at 4:30pm at Long Island Marriott – organized by USA Swimming.
  - h. **Couple Phone Meetings with Mighty Mega Group - CA-PC-IL-IN-PV-MR-MI-FL** – Sharing information (of those LSC's – Mac is the only non CEO on the conference calls
  - i. **2017 Age Group Think Tank** – Saturday, January 21 at 10am – Topics will be "*Improving Summer JO's*", "*8-Under Championships*" and "*Winter Championship Meet*". USA Swimming is very concerned about age group swim meets and how to make them more fun, more accessible, especially for 12-under swimmers. Example: 2-hour sessions, specific stroke only (freestyle frenzy), IMR/IMX meets, anything to make it more interesting and fun; instead of two 4-hour sessions, do three 2-hour sessions (mixing ages differently etc.).
  - j. **Chuck Wielgus** - who joined USA-Swimming as Executive Director in July 1997, officially announced his retirement for the end of August 2017 (after more than 20 years guiding USA-S to unparalleled

achievement within the Olympic movement). We all wish him well.

- k. **Policies and Procedures Update** – we absolutely need to finalize the Manual as soon as possible. They have not been updated for a long time! All the By-Law issues in P&P Manual must be removed – P&P have to do with the Wet side of swimming while the By-Laws deal with the Dry side.

4. **TREASURER’S REPORT:** George Rhein

- a. Hard copies of George’s reports were available to all at the meeting:
- b. George went over the **Balance Sheet** (as of January 11, 2017) – Assets & Liability and Equity.
- c. **Profit and Loss** (September 1, 2016 – January 11, 2017) was also available for review.
- d. **Budget to Actual** (January 1, 2017)

5. **FINANCE VICE-CHAIR REPORT:** Julie Chen

- a. Julie was in Taiwan to take care of family matters. Her 32-pages report is attached to this file.
- b. Metro still requests 2 signatures for all checks issued by the Office.
- c. Mac will schedule a meeting between Julie, George, Office Manager (Mary), and Mac.
- d. One of the top priority issues is to have an external audit. Mac would like Julie to be in charge of this. Long discussion followed on the subject.
- e. Julie also wants to review the investments.

6. **ADMINISTRATIVE VICE CHAIRS:** Eric Fisher and Scott Draper

- a. Len Galluzzi Scholarship – we probably should set up a separate account for donations to this new scholarship. Mary explained to all how the Joe Stetz Scholarship line item is set up in Quick Book.
- b. Donations to the Len Galluzzi Fund should be sent to the office and made payable to Len Galluzzi Scholarship Fund and Metropolitan Swimming.
- c. Meet reports are coming in and the online forms are a real help as almost all reports are being emailed and fees are charged on credit cards. Mary added that because more and more people and teams are paying with credit cards, MR is taking a hit on the fees so most LSC’s tax an added fee for CC payments (2.5 to 3%) – Fees will need to be adjusted due to CC fees (especially for meets on OME). Discussion followed on this. We may need to add a “*Service Fee*”. Another way would be to pay through PayPal.

7. **SENIOR CO-CHAIRS:** John Collins and Dave Ferris

- a. John Collins was unable to attend the meeting.
- b. Dave is asking for a separate category for Top Times on the web site- LSC’s TOP 16 OPEN. This can be done by going through the SWIMS Database (at this time, our Top 25 come from Team Manager so that all 25’s for 8-under swimmers are included). TOP 25 for Age Group should really go down to Top 16 (not top 25).
- c. Records for 15-16 Metro Swimmers – we never kept those records – an email will be sent to Dom Boccio and Gerri Stepanek who volunteered to help on the Records.
- d. Senior Mets – ways to make it a real “Shave/Taper Meet” in Metro. May be needed to be held at a different time so teams would attend ready to swim! Dave and John would love to hear from coaches about ways to make Senior Mets more attractive to all. December is hard because teams love to do travel out of LSC to a taper/shave meet at that time. Long discussion followed.
- e. Coaches need to pump up their swimmers when they go to meets ... Lets all try to beat such or such team! This works!!! If we tried to have Metro’s fastest swimmers compete together at a meet, it would be a GREAT and FAST meet!!! But how to do that???
- f. Discussion on when teams attend shaved ‘tapered meets! In addition, teams love to go to away

meets!!!

- g. Mac added that Janet Evans Invitational is open for a taker ... does Metro want to take it over?
8. **AGE GROUP CO-CHAIRS:** Andrew Copley
  - a. Andrew was unable to attend the meeting.
  - b. See # 3.i above for info.
9. **ATHLETES REPRESENTATIVES:** Emily Sullivan
  - a. Matt Keane, Robert Frawley and Tommy Luchsinger were unable to attend the meeting.
  - b. Application form for the new Junior Athlete Representative is available on the Metro Web site. All applications are due no later than February 10, 2017 – it should be sent to Emily and matt but also to the Administrative Vice Chairs.
  - c. Reminders to the athletes to make sure the suits they wear at competitions are approved by USA-S.
10. **OFFICIALS:** Mark Amodio
  - a. Mark was not in attendance at this meeting.
  - b. There are 7 meets being held the weekend of January 13-16 – Lots of officials are needed to have a full staff at all meets!
11. **NATIONAL TIMES VERIFICATION /TOP 10:** Monique Grayson
  - a. Not much at this time.
  - b. High school sections are sending their Requests for Observation (Form B) which **MUST** be received at least 10-15 days **BEFORE** the meet!
12. **COACHES CHAIR:** John Yearwood
  - a. Need a Think Tank to talk about our Senior Championships
  - b. Many coaches wants to be more involved
  - c. The Board positions should be cultivating their committees and add new board members but they need to understand that there will be work to do!
  - d. **Coach of the Year Voting** – most of the time it's a popularity contest!!!! All votes should be going to a neutral email address (like for the athletes).
  - e. We need to do something different like ***“Coach of a 1<sup>st</sup> time National Swimmer”*** or ***“Young Age Group Coach”*** and/or change the criteria for the nominations!
  - f. Recognition – Gold Medal (Bronze or Silver Clubs) – Record breakers
  - g. **WE NEED TO RECOGNIZE and REWARD EXCELLENCE IN METRO!!!** VCC – Gold Medal Clubs - etc
  - h. Metro Record Breakers are now posted on the man page of the web Site!
13. **TECHNICAL PLANNING:** David Ellinghaus
  - a. David was unable to attend the meeting!
  - b. The Long Course Season Bid Information went out and is up on the website!
  - c. Andy Copley is looking into having Summer JO's going Trials/Finals
14. **OFFICE MANAGER:** Mary Fleckenstein
  - a. Registration numbers are up from last year at this time. Officials/other reflect moving many admin. officials to the official category this year.

<b><u>Registration ending 2016</u></b>	<b><u>Registration as of January 11, 2017</u></b>
11,125 athletes	10,441 athletes
131 other non-athlete	85 other non-athletes
663 coaches	556 coaches

385 officials	366 officials
Total 12,354 registered members	11,376 registered members
91 registered clubs	85 registered clubs/organizations

- b. Clubs numbers are down due to several reasons – 4 clubs combined into 2. A few clubs were planning to be combined, which did not happen. They are in the process of getting the club applications in now. There are several college teams that have not yet renewed.
- c. **Coaches still not getting their certifications in on time.** They receive an email generated by USA Swimming reminding them they have 30 days. Many calls and emails the day/night before or during a meet. Not sure how to make it any clearer to coaches that if a certification is expired they can **NOT** be on a pool deck in any capacity. Also, Clubs/Coaches not using their club portals to see what is needed. Deck Pass is also available to coaches to see their certifications. Should not need to call the office and ask “What do my coaches need”
- d. Also, **officials/meet directors not checking credentials on deck.** Coaches with expired certifications are allowed on deck. Referees and meet directors are not allowed to accept an updated certification if the coaches card is expired. The coach must submit to the office and the certification must be entered in the database. DECK PASS is live – if it is not on deck pass it has not been entered. Coaches can also print a temporary card from deck pass. There are no excuses for coaches not to have proof of membership and certification. **This is a huge liability for Metropolitan Swimming AND the Host Team.**
- e. Reminder that we no longer print official’s cards – they must print their certification card from OTS and deck pass on the computer. Meet personnel are reminded that deck pass on the phone is acceptable form of proof of membership – as long as it is live!
- f. Reminder that Coaches Safety Training online certificate must be submitted with a current approved lifeguard certificate or a skills sheet.
- g. Recons – getting a little better but still need to work on having teams update and rebuild ID#’s. They need to let any meet director know when something has been updated or it will appear on next meet. Legal names must be used. If you send a change for a spelling of a name of a registered swimmer – just email the info, otherwise it creates a new swimmer!!!
- h. Clubs responded well to the addition of drone statement to meet announcements – waiting on only a few updates at this time
- i. Website has had no major issues. Peter has done a great job getting things posted in a timely manner.
- j. It would be helpful when emails go out that responses are sent. Even if there are no objections – an acknowledgment is good.
- k. New York City Parks – conference call set up in February – METRO, NYCP and USA Swimming – long talk about this subject

15. **OLD BUSINESS:**

No Old Business that was not mentioned before during the meeting.

16. **NEW BUSINESS:**

No New Business at this time!

**Next BOD Meeting – Wednesday, March 8, 2017 at 6:30pm at Lehman College APEX.**

A motion to adjourn the meeting was made, seconded and approved by all. Motion carries. Meeting adjourned at 8:15pm.

Respectfully submitted by Monique Grayson  
January 22, 2017

Metropolitan Swimming LSC  
Finance Vice Chair  
Report

Julie Chen

January 11, 2017 Board Meeting

# Report Summary

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- **Old Business/Open Action Items:**

- Continue Working on Improving Budget Transparency
  - ‘Still’ Waiting to Meet with Treasurer – periodic audio/video conference call(s) possible?
  - In Need of Additional Assistance/Support – any volunteer(s)?
    - Skill set Needed: (will train if willing to learn)
      - Data Analysis
      - MS Office Suite including MS Access

- **New Business Items:**

- Closer Look at Finance and Treasury Functions Defined by the Metro LSC By-Laws
  - Identify Enhancements
  - Recommendations
    - Corrective Actions to Meet Compliance with By-Laws
    - Improve Verbiage in By-Laws to Strengthen Internal Controls
    - Add Best Practices for Finance and Treasury Functions
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A Closer Look at  
Finance and Treasury Functions  
Defined in the  
Metropolitan Swimming By-Laws

# By-Law Section 606.7.3

## Roles and Responsibilities of Treasurer

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### Member of the Executive Committee

The Treasurer shall be the principal receiving and disbursing officer of Metro.

Except as otherwise directed by the Finance Vice-Chair and Finance Committee or the Board of Directors, the Treasurer shall receive all moneys, incomes, fees and other receipts of Metro and pay all bills, salaries, expenses and other disbursements approved by an authorized officer, committee Chair, coordinator, the Budget and Finance Committee, the Board of Directors or the House of Delegates, or required to be paid pursuant to Section.603.9. *When authorized by the Board of Directors, income and expenses may be received and paid by a division, officer, committee or coordinator, provided that the division, officer, committee or coordinator promptly submits to the Treasurer an itemized report, duly attested by the division, officer, committee Chair or coordinator and either within the approved budget of such division, officer, committee or coordinator, or authorized by the Board of Directors or the House of Delegates.*

The Treasurer shall be a member of the Finance Committee but may not be its Chair.

The Treasurer shall issue a monthly report listing the current budget variances by line item, all receipts, all expenditures and the current fund and account balances for the month and the preceding month and for the fiscal year to date, together with such other items as the Finance Committee, the General Chair or the Board of Directors may direct.

The treasurer shall also provide current monthly bank statements to the General Chair.

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## By-Law Section 606.7.3

### Roles and Responsibilities of Treasurer (cont.)

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The Treasurer shall:

- A. have charge of and supervision over and be responsible for the funds, moneys, securities and other financial instruments of Metro;
- B. cause the moneys, securities and other financial instruments of Metro to be deposited in the name and to the credit of Metro in such institutions as shall be designated in accordance with Section 606.10 *or to be otherwise invested as the Finance Committee or the Board of Directors may direct*;
- C. cause to be appropriately segregated and accounted for any endowment funds, scholarship or award funds and any similar special purpose funds or accounts;
- D. cause the funds of Metro to be disbursed by checks or drafts, automated debits or wire transfers upon the authorized depositories of Metro, and obtain and preserve proper vouchers for all moneys disbursed;
- E. cause to be kept in the at Metro's permanent office correct books of account and other financial records of all its affairs and transactions and such duplicate books of account as the Board of Directors, the Finance Committee or the Treasurer shall determine. The Treasurer's custody of the books and records shall be as a fiduciary for Metro and custody and fiduciary state shall end when the Treasurer leaves office and passes them on to the successor Treasurer;

## By-Law Section 606.7.3

### Roles and Responsibilities of Treasurer (cont.)

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- F. upon request and at reasonable hours cause such books or duplicates thereof to be exhibited to any member of the Board of Directors and upon application and at reasonable hours cause the monthly financial reports and the annual audited financial statement to be exhibited to any member of Metro or USA Swimming;
- G. cause Metro to be in compliance with the requirements of Section 608.4;
- H. have the power to require from the officers, committee chairs, coordinators, or agents of Metro reports or statements giving such information as the Treasurer may determine to be appropriate or helpful with respect to any and all financial transactions of Metro;
- I. Make the books and records available and otherwise fully cooperate with those conducting the annual audit of accounts of Metro and cause the preparation and timely filing of all required federal, state and local tax returns, and other financial and tax reports with the applicable government official, and forward a copy of the annual financial statement and audit report and any federal tax return to the Secretary for submission to the Board of Directors and USA Swimming national headquarters in accordance with Sections 608.2 and 608.3;
- J. have the power to appoint one or more assistant treasurers and delegate to them one or more of the Treasury functions, or parts thereof; and in general, perform all the other duties incident to the corporate treasury function.

# By-Law Section 606.7.7

## Roles and Responsibilities of Finance Vice Chair

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The Finance Vice-Chair is the chief financial officer of Metro.

The Finance Vice-Chair shall chair and have *general charge of the affairs and property of the division that includes the Treasury function, the development and implementation of an investment program for Metro's working capital, funded reserves and endowment funds and the development and implementation of a marketing and fund-raising plan for Metro.*

The Finance Vice-Chair, *with the assistance of the Finance Committee, shall prepare an annual budget for Metro's operations and present the budget for approval by the Board of Directors and the House of Delegates.*

In addition, the Finance Vice-Chair shall cause to be conducted *the audit required pursuant to Section 608.5 and shall review the annual audit report and recommend acceptance and appropriate action, if any, with regard thereto by the Board of Directors and the House of Delegates.*

The Finance Vice-Chair is responsible for *the adequacy of Metro's system of internal financial and accounting controls.*

The Finance Vice-Chair is the Chair of the Finance Committees and a member of the Personnel Committee.

Together with the Treasurer, the Finance Vice-Chair is *ultimately responsible for Metro's compliance with Section 608.4.*

# By-Law Section 606.10.1– Execution Authorization

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## AUTHORITY TO EXECUTE CONTRACTS, ETC. –

The General Chair, Administrative Vice-Chair, *and* Treasurer each may sign and execute in the name of Metro deeds, mortgages, bonds, contracts, agreements or other instruments duly authorized by the Metro Policies and Procedures Manual, the Board of Directors or the House of Delegates, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to another officer or agent, *expressly requires two or more signatures or is required by law to be otherwise executed*. Additional signing authority may be provided by standing resolutions of the Board of Directors or the House of Delegates.

## By-Law Section 606.10.3– Delegation

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DELEGATION – Officers of Metro may delegate any portion of their powers or duties to another Individual Member or to a committee composed of Individual Members, *except that neither the Finance Vice-Chair nor the Treasurer may delegate duties to the other without the consent of the Board of Directors.* In addition, the authority to sign checks, drafts, orders of withdrawal or wire transfers shall not be delegated other than by the Board of Directors. Except as otherwise provided in these Bylaws and with the consent of the Board of Directors, any officer may delegate any portion of that officer's powers or duties to the paid staff of Metro. A delegation of powers or duties shall not relieve the delegating officer of the ultimate responsibility to see that these duties and obligations are properly executed or fulfilled.

# By-Law Section 606.11 – Depositories & Signature

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## 1. DEPOSITORIES, ETC. –

All receipts, income, charges and fees of Metro shall be deposited to its credit in the banks, trust companies, other depositories or custodians, investment companies or investment management companies as the Board of Directors may select, or as may be selected by the Finance Committee or any officer or officers or agent or agents authorized to do so by the Board of Directors. Endorsements for deposit to the credit of Metro in any of its duly authorized depositories shall be made in the manner determined by the Finance Committee or the Board of Directors. All funds of Metro not otherwise employed shall be maintained in the banks, trust companies, other depositories or custodians, investment companies or investment management companies designated by Finance Committee, the Board of Directors or any officer or officers or agent or agents authorized to do so by the Board of Directors.

## 2. SIGNATURE AUTHORITY –

All checks, drafts or other orders for the payment or transfer of money, and all notes or other evidences of indebtedness issued in the name of Metro *shall be signed by the General Chair, the Treasurer or other officer or officers or agent or agents of Metro, and in the manner, as shall be determined by the Finance Committee or the Board of Directors.*

# By-Law Section 607.1.4 - Finance Division

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## FINANCE DIVISION - Finance Vice-Chair

Audit Committee

Budget Committee

Finance Committee

Marketing/Sponsorship

Tax

Treasurer

## By-Law Section 607.3.2 - Audit Committee

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The members of the Audit Committee shall be

- the Finance Chair, who shall serve as chair,
- the Administrative Vice Chair,
- the Senior Coach Representative and
- a sufficient number of athletes appointed so as to constitute at least twenty percent (20%) of the voting membership of the Committee.

### Per By-Law Section 607.4.1

AUDIT COMMITTEE – The Audit Committee is authorized to, and it shall be its duty to, conduct the annual audit of the books of Metro required hereunder and present the results thereof to the Board of Directors and the House of Delegates or (a) annually recommend an independent auditor to the Board of Directors, (b) review and negotiate the services to be performed by the independent auditor, (c) receive and review the audit and other reports submitted by the independent auditor and (d) submit the audit and other reports and make recommendations to the Board of Directors with regard thereto.



# By-Law Section 607.3.3 - Budget Committee

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The members of the Budget Committee shall be

- the General Chair,
- the Finance Vice-Chair, who shall serve as chair,
- the Treasurer,
- the Administrative Vice-Chair,
- the Senior Coach Representative,
- the Age Group Vice-Chair,
- the Senior Vice-Chair and
- a sufficient number of athletes appointed so as to constitute at least twenty percent (20%) of the voting membership of the Committee.

## Per By-Law Section 607.4.2

**BUDGET COMMITTEE** - The Budget Committee is authorized and obligated to consult with the officers, committee chairs and coordinators and prepare and present a proposed budget for consideration and approval by the Board of Directors and the House of Delegates. The officers, committee chairs and coordinators shall provide promptly such financial information (current and projected) and budget proposals as the Budget Committee may request. The proposed budget may contain alternatives.

# By-Law Section 607.3.5 - Finance Committee

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The members of the Finance Committee shall be

- the General Chair,
- the Finance Vice-Chair, who shall serve as chair,
- the Administrative Vice-Chair,
- the Treasurer and
- a sufficient number of athletes appointed so as to constitute at least twenty percent (20%) of the voting membership of the Committee.

## Per By-Law Section 607.4.3

FINANCE COMMITTEE - The Finance Committee is authorized and obligated to develop, establish where so authorized or recommend to the Board of Directors and supervise the execution of policy regarding the investment of Metro's working capital, funded reserves and endowment funds, within the guidelines, if any, established by the Board of Directors or the House of Delegates. The Finance Committee shall also regularly review Metro's equipment needs (both operational and office) and the various methods available to finance the acquisition of any needed equipment, make a determination of the best financing method for Metro and make recommendations to the Budget Committee and the Board of Directors.

# By-Law Section 607.3.7 - Personnel Committee

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The members of the Personnel Committee shall be

- the General Chair, who shall serve as chair,
- the Administrative Vice-Chair,
- the Finance Vice-Chair and
- the Senior Athlete Representative.

## Per By-Law Section 607.4.5

PERSONNEL COMMITTEE - The Personnel Committee is authorized and obligated to negotiate and set wages, compensation and other terms of employment of Metro's staff (whether employees or independent contractors) within established budgetary guidelines and policies and to review and approve the scope of duties delegated to staff.

## By-Law Section 608.2 – Financial and Tax Reports

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The Secretary shall forward to USA Swimming national headquarters a copy of the annual closing Balance Sheet and Statement of Income and Expense for the preceding fiscal year *following completion of the audit of the accounts and internal financial controls and procedures of Metro and the report thereon prepared in accordance with Section 8.5*, within fifteen (15) days of receipt of the audit report and shall advise USA Swimming national headquarters within thirty (30) days following acceptance by the House of Delegates. *Copies of any corresponding federal income tax return required to be filed by Metro under the IRS Code shall be included with the annual audit report sent to USA Swimming national headquarters.*

## By-Law Section 608.5 - Annual Audit

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An annual audit of the accounts, books and records of Metro shall be completed no later than the end of the third month following the end of its fiscal year.

The audit, or review, shall be conducted by an independent auditor who shall be a certified public accountant or by the Finance Committee.

The audit shall cover any federal, state or local income tax return that Metro is required to file under the IRS Code or applicable provisions of state or local law, rules or regulations, the balance sheet, the statement of income and expenses, check register and bank statements and other records as is deemed appropriate.

*If the audit, or review, is conducted by the Finance Committee, the treasurer shall not be a member of the Audit Committee. The committee shall issue a report signed by all of its members and stating that the financial records and reports of Metro have been reviewed and fairly present the financial condition of Metro as of the date of the balance sheet and for the fiscal period of the statement of income and expenses and the report is true and correct to the best of the Committee's knowledge, information and belief.*

If the audit, or review, is conducted by an independent auditor, the report shall be in accord with generally accepted auditing practices applicable to the audit or review, as the case may be.

Suggestions to  
Enhance Compliance  
with  
Metropolitan Swimming By-Laws

# By-Law Section 606.7.3 - Treasurer

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**As noted on slide 4, the Treasurer must issue a monthly report with the following:**

- the current budget variances by line item,
- all receipts,
- all expenditures
- the current fund and account balances for the month and the preceding month and for the fiscal year to date, and
- such other items as the Finance Committee, the General Chair or the Board of Directors may direct.

**Recommended Action:**

- The Board should request that the Treasurer generates a monthly report as noted above.
- The Finance Committee should recommend a format for the monthly report.
- No later than 10 business days after closing of the book, each monthly Treasurer report shall be reviewed by the Finance Committee and the Budget Committee and posted on the website
- At each Board meeting, the Treasurer shall summarize the latest monthly report, specifically all cash inflow and outflows, including the balance of all financial instruments.

# By-Law Section 606.7.7 – Finance Vice Chair

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## **As noted on slide 7, the Finance Vice Chair has responsibility for the following:**

- have general charge of the affairs and property of the division that includes the Treasury function,
- development and implementation of an investment program for Metro,
- development and implementation of a marketing and fund-raising plan,
- with the assistance of the Finance Committee, prepare an annual budget,
- the audit required pursuant to Section 608.5,
- review the annual audit report and recommend acceptance and appropriate action to the board,
- responsible for the adequacy of Metro's system of internal financial and accounting controls.
- ultimately responsible for Metro's compliance with Section 608.4.

## **Recommended Action:**

- Request Treasurer to provide status of the treasury functions, affairs and properties of Metro
  - Request Treasurer to provide status of the investments of Metro
  - Request to be involved in the marketing and fund-raising plan of Metro
  - Request Treasurer to participate and provide information to ensure budget transparency
  - For audit - see slide #22, 26 and 27
  - For enhancement of Metro's internal financial and accounting controls - see slide #19-27, 29-30
  - For meeting compliance with Section 608.4 - See slide #30
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# By-Law Section 606.10 - Delegation

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## **As noted on slide 9,:**

A delegation of powers or duties shall not relieve the delegating officer of the ultimate responsibility to see that these duties and obligations are properly executed or fulfilled.

## **Recommended Action:**

- In compliance with Metro By-Law section 606.10, the Treasurer is still responsible for all the treasury functions that have been delegated, including bookkeeping services.
- The Finance Committee should request, in writing, a list of all treasury functions that have been delegated.
- The Finance Committee should conduct an internal audit of these delegated treasury functions to ensure that these treasury functions have been properly monitored, observed, guided and followed.

# By-Law Section 606.11 - Signature

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## **As noted on slide 10, all Metro LSC indebtedness required two signatures:**

All checks, drafts or other orders for the payment or transfer of money, and all notes or other evidences of indebtedness issued in the name of Metro shall be signed by

- the General Chair,
- the Treasurer or other officer or officers or agent or agents of Metro, and in the manner, as shall be determined by the Finance Committee or the Board of Directors

## **Recommended Action:**

- In compliance with Metro By-Law section 606.11, no future indebtedness, including bank checks, should be signed by 'one' officer or 'an' agent of Metro.
- The Board has an option to seek approval from the House of Delegate to change the By-Laws to accommodate single signature for a pre-defined 'small' amount, i.e. less than USD500, for pre-approved expenses.

The Board should provide the House of Delegate, for their vote and approval, with the verbiage of (1) how much is qualified as small amount, (2) who are qualified to be the single signatory representative and (3) a list of potential defined expenses that should be excluded from double signatures.

After approval by the House of Delegates, the verbiage change should be included in the Metro By-Law, not in the Process and Procedure Manual.

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# By-Law Section 607.3.2 – Audit Committee

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**As noted on slide 12, Metro LSC current does not have an Audit Committee in place**

The Audit Committee should

- a. annually recommend an independent auditor to the Board of Directors,
- b. review and negotiate the services to be performed by the independent auditor,
- c. receive and review the audit and other reports submitted by the independent auditor and
- d. submit the audit and other reports and make recommendations to the Board of Directors with regard thereto.

**Recommended Action:**

- The Board should enforce the formation of the Audit Committee.
- The Audit Committee shall meet at least once per quarter or on a as needed basis.
- At each board meeting, the Audit Committee should present latest meeting findings and minutes to the board.
- Unless requested by the board, each Audit Committee report, after presented to the board, should be made available on the Metropolitan Swimming website.

# By-Law Section 607.3.3 – Budget Committee

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## **As noted on slide 13, we need adequate representation in the Budget Committee**

Additional Representation needed:

- the Treasurer,
- the Senior Coach Representative,
- the Age Group Vice-Chair,
- the Senior Vice-Chair and
- a sufficient number of athletes appointed so as to constitute at least twenty percent (20%) of the voting membership of the Committee.

## **Recommended Action:**

- The Board should encourage and enforce a quorum at each committee meeting.
  - The Budget Committee shall meet at least once per quarter or on a as needed basis.
  - At each board meeting, the Budget Committee should present the latest meeting findings and minutes to the board.
  - Unless requested by the board, each Budget Committee report, after presented to the board, should be made available on the Metropolitan Swimming website
  - No later than 3 business days after approval by the House of Delegate, the approved budget should be posted on the Metropolitan Swimming website.
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# By-Law Section 607.3.5 – Finance Committee

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## **As noted on slide 14, we need adequate representation in the Finance Committee**

Additional Representation needed:

- the Treasurer
- a sufficient number of athletes appointed so as to constitute at least twenty percent (20%) of the voting membership of the Committee.

## **Recommended Action:**

- The Board should encourage and enforce a quorum at each committee meeting.
- The Finance Committee shall meet at least once per quarter or on a as needed basis.
- The Finance Committee should review the existing and recommend future execution of policy regarding the investment of Metro's working capital, funded reserves and endowment funds, within the guidelines, if any, established by the Board of Directors or the House of Delegates.
- At each board meeting, the Finance Committee should present latest meeting findings and minutes to the board.
- Unless requested by the board, each Finance Committee report, after presented to the board, should be made available on the Metropolitan Swimming website

# By-Law Section 607.3.7 - Personnel Committee

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## **As noted on slide 15, we need adequate representation in the Personnel Committee**

Additional Representation needed:

- the Administrative Vice-Chair,
- the Finance Vice-Chair and
- the Senior Athlete Representative.

## **Recommended Action:**

- The Board should encourage and enforce a quorum at each committee meeting.
- At each board meeting, the Personnel Committee should present personnel activities to the board.
- Unless requested by the board, each Personnel Committee report after presented to the board should be available on the Metropolitan Swimming website

# By-Law Section 608.2 – Financial and Tax Reports

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## **As noted on slide 16, the following should be submitted to USA Swimming national headquarter:**

- A copy of the annual closing Balance Sheet for the preceding fiscal year
- A copy of the annual Statement of Income and Expense for the preceding fiscal year
- Copies of any corresponding federal income tax return with the annual audit report

## **Questions:**

- Has USA Swimming national headquarter submission changed?
- What have we been sending to USA Swimming?

## **Recommended Action:**

- The Board should look into whether USA Swimming submittal has changed.
- The Board should request from the Secretary and review the submittals to USA Swimming for the past 3-5 years, to ensure compliance with Metro LSC By-Law.
- Unless requested by the board, all submittals to USA Swimming national headquarter should be available on the Metropolitan Swimming website

# By-Law Section 608.5 - Annual Audit

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## **As noted on slide 17, annual audit is required by Metro LSC by-Law**

As noted on slide 18, the board should enforce the formation of the audit committee.

### **Recommended Action:**

- The Board should vote for an audit – consisting of both internal audit and external audit.
- The Audit Committee shall recommend to the board whether to use an outside auditor, conduct internal audit(s) or a combination of both.
- The Audit Committee should recommend to the board the scope of the internal audits.
- For external audit, the Audit Committee should be responsible for the selection of the external auditor and the scope of work involved.
- Prior to the selection, the Audit Committee shall present to the Board the selection process, provide detailed rationale with the selection and the cost range involved.
- After completion of any audit, the Audit Committee, after review and approval by the Board, shall make all audit recommendation(s) and result(s) available on the Metropolitan Swimming website.



Recommend Finance  
Best Practices  
for  
Metropolitan Swimming  
To Enhance Compliance with  
Defined By-Laws

# Goals of Best Practices

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- Enhance Clarity Regarding the Roles and Responsibilities of
  - Treasurer
  - Metro Office
  - Finance Vice Chair
  - Audit, Budget, Finance Committee
- Enhance Financial Transparency - Monthly, Quarterly, Annually
  - Provide updated Metro Financial Instruments Balances – Assets and Liabilities
  - Report on available Cash Balances in lieu of Bank Statements
  - Report on Investment Portfolio Balance, Position(s) and Maturity Date(s)
  - Report on Budget Variances (Estimates vs Actual)
- Enhance Internal Financial Controls
- Enhance Annual Audit
  - Internal and External Audit(s)

# Summary of Recommended Best Practices

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- **Treasurer Monthly Report** – See slide #19
- **Finance, Audit and Budget Committees**
  - Formation of Audit Committee – See slide #22
  - Additional of Representation to the Budget and Finance Committees – See Slides #23-24
  - Encourage Periodic Committee Meetings - See slides #22-27  
Encourage the use of communications equipment (audio/video) for committee meetings  
Per By-Law Section 608.4  
PARTICIPATION THROUGH COMMUNICATIONS EQUIPMENT - Members of the Board of Directors or the Executive Committee may participate in meetings of the Board of Directors or the Executive Committee through conference telephone or similar equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.
  - Present Committee Meeting Minutes to Board – See slides #22-27
- **Internal Financial Controls** - See slides #19-28

# Summary of Recommended Best Practices (cont.)

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- **Annual Audit** – See slide #27
- **Signatures Requirement Enforcement** – See slide #21
- **Finance and Treasury Function Transparency** – See slides #19-28

Leverage Metropolitan Swimming website

Per By-Law Section 608.4

PUBLIC AVAILABILITY OF CERTAIN INFORMATION - Metro shall cause to be made available at a reasonable location and time determined by Metro to anyone requesting to see a copy of Metro's federal income tax and information returns for each of the last three years, and a copy of the materials submitted by USA Swimming to include Metro in USA Swimming's group exemption ruling as required pursuant to IRS Code section 6104 and any similar requirements of applicable state or local laws