



CLUB DEVELOPMENT

usaswimming.org

Dear Coach,

1. USOC Olympic Coach Magazine
2. An article on Melissa Stockwell
3. Mission Statements
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View the USOC Olympic Coach E-Magazine as a Web page:

<http://coaching.usolympicteam.com/coaching/kpub.nsf/v/0308>

Wounded Vet Again Tackles Basic Training

Swimmer among Those Trying Out For Paralympics

<http://www.washingtonpost.com/wp-dyn/content/article/2008/03/20/AR2008032003926.html?sub=new>

How to Avoid Mission Creep

From [Joanne Fritz](#).

Seven Hallmarks of Mission Statements That Stay Put

Mission statements are more than just decoration for your office wall. A good mission statement makes decisions much easier. When in doubt whether to head off into another direction because a donor suggests it or a foundation grant opens up a new avenue, getting back to the mission statement will help you stay on course. Kim Jonker, a consultant to nonprofits, and William F. Meehan III, a senior director at McKinsey and Company, authors of a recent article in the *Stanford Social Innovation Review* (Winter 2008), suggest that nonprofit mission statements that have these characteristics are less likely to "creep":

1. They are focused.

The best mission statements are not grandiose or even particularly inspiring, but rather narrowly focused...more like a laser beam than a spotlight. Feeding all the hungry people in the world is laudable but likely out of reach for an organization with finite resources. The more focused the mission, the better the performance is a good rule of thumb.

2. They solve unmet public needs.

Nonprofits receive special tax status because they address problems that the government and business can't or won't deal with. Their mission statement must be about these public needs.

3. They leverage unique skills.

Passion and high aspirations are not enough for real impact. A nonprofit should have skills and be capable of specific actions that are different from other organizations. An example is Teach for America, which enlists young people (future leaders) to help eliminate educational inequality. That is specific as to the who and the what.

4. They guide trade-offs.

Every nonprofit organization must make critical decision and trade-offs...what initiatives to proceed with and which to abandon. They should say "no" to funding opportunities or programs that do not align with their mission but they should say "yes" to opportunities that will take their mission to the next level.

5. They energize stakeholders and are inspired by those stakeholders.

A nonprofit has multiple stakeholders, often with conflicting interests and ideas. These can include board members, staff, customers, government agencies and the public. Great missions reflect all those interests but balances them, sometimes favoring some over others. But, as a result, the mission statement inspires those stakeholders.

6. Great mission statements anticipate change.

In anticipating change, these mission statements are timeless. To accommodate change, nonprofits should re-explain their missions to their stakeholders every three to five years. This will regain their understanding and commitment. But that does not mean organizations need to change their missions. That should only be done in truly exceptional cases.

7. A mission statement should stick in the memory.

Stakeholders, especially external ones such as donors, rely on your nonprofit's mission statement to guide their actions. So, the statement should be something that can easily be remembered. That means it should be short and concrete. A good example is Kiva's statement: "to connect people, through lending, to alleviate poverty."

Suggested Reading

[Mission Impossible? How to Write Your Mission Statement](#)

Sole Proprietorship: The Right Business Structure?

From [Darrell Zahorsky](#),
Your Guide to [Small Business Information](#).
[Stay up to date!](#)

The most basic of all business legal structures is the sole proprietorship. For new start-ups the choice of becoming a sole proprietorship is the simplest of all business forms but is it the best? Learn the pros and cons of a doing business as sole proprietorship.

What is a Sole Proprietorship?

A sole proprietorship is a business of one without corporation or limited liability status. The individual represents the company legally and fully. Common proprietorships include part-time businesses, direct sellers, new start-ups, contractors, and consultants. This form of business has several advantages:

Advantages of a Sole Proprietorship

- **Quicker Tax Preparation:** As a sole proprietor, filing your taxes is generally easier than a corporation.

Simply file an individual income tax return (IRS Form 1040) including your business losses and profits. Your individual and business incomes are considered the same and self-employed tax implications will apply.

- **Lower Start-up Costs:** Limited capital is a reality for many startups and small businesses. The costs of setting up and operating a corporation involves higher set-up fees and special forms. It's also not uncommon for a lawyer to be involved in forming a corporation.
- **Ease of Money Handling:** Handling money for the business is easier than other legal business structures. No payroll set-up is required to pay yourself. To make it even easier, set up a separate bank account to keep your business funds separate and avoid co-mingling personal and business activities.

Disadvantages of a Sole Proprietorship

- **Personally Liable:** Your small business in the form of a sole proprietorship is personally liable for all debts and actions of the company. Unlike a corporation or LLC, your business doesn't exist as a separate legal entity. All your personal wealth and assets are linked to the business. If you operate in a higher risk business such as manufacturing or consumables, the cost to benefit ratio is favorable toward a corporate structure.
- **Lack of Financial Controls:** The looser structure of a proprietorship won't require financial statements and maintaining company minutes as a corporation. The lack of accounting controls can result in the demise of your small business. No matter the legal structure of your business, take time to set up the proper financial statements for your company.
- **Lonely at The Top:** Being a business of one can be lonely. All the decisions, actions, and results rest on you. Are you able to work alone and be productive? If not bring in a partner can be necessary for your small business survival.
- **Difficult to Raise Capital:** Imagine your business in 5 years. Will it still be a business of one? Growing your small business will require cash to take advantage of new markets and more opportunities. Outside investors will take your company more serious if you are a corporation.

Forming a Sole Proprietorship:

From the IRS's perspective, your small business is a sole proprietorship unless you have registered it as a corporation or other business structure such as an LLC. Setting up your proprietorship often does not require registration of the business. If you are planning to use another name or business name to operate your company, state laws will require a trade name registration or filing of your company name.

Choosing the best business structure for your business will depend on a host of individual factors including your type of business, tax situation, industry liability, among others. Your choice of business structure will have legal and personal implications. Work with your business professional team of a lawyer and an accountant to determine the type of business structure best for you.

Sole Proprietorship Business Ownership Resources

[IRS 1040 Form \(pdf\)](#)

This month's main course article from board cafe

"I didn't sign on for fundraising!" – The Board's Role in Raising Money

An all-too-common scenario: the executive director is frustrated because she thinks it's the duty of the board to raise money – but some, if not all, are reluctant. A few board members agree with her and they say (or pay for a consultant to tell the board): "Every member must give, get, or get out." We board members typically have three reactions simultaneously. First, we resent being required to do something we were not informed of when we were invited to join the board. Second, we feel guilty anyway. Third, we doubt we could succeed at raising money, even if we were to try. It's as if we were invited to a potluck, arrived with lasagna, and then scolded for not having brought a chocolate cake!

To untangle this knot of misunderstandings and uncertainty, it's helpful to think of the board as having two roles: a Governance role where the board acts as a body to ensure accountability, and a support role where board members support the organization, acting as individuals, through volunteering their time and participating in various ways in raising money. Ensuring that the organization has a realistic strategy for obtaining money is a critical governance responsibility of the board of directors. But that strategy may or may not include individual fundraising by board members. The strategy for raising funds will probably include a combination of efforts: fees-for-service (such as tuition, service fees, registration fees), tickets to special events, membership dues, direct mail campaigns, government contracts, and individual major donor gifts.

It's good to keep four critical guidelines for boards and fundraising:

1. As a body, the board is responsible for approving and monitoring performance of a revenue strategy that will sustain the organization's work.
2. In the context of that plan, as individuals, each board member must do something to help implement that strategy.
3. No one person has to be involved with every type of fundraising, and
4. Expectations must be clearly communicated to new board members during the recruitment process.

In other words, there should be methods that take advantage of each of the individual strengths that board members have and are willing to contribute.

The board's Governance responsibility is to ensure that a suitable financial or revenue strategy is in place. This strategy must have three characteristics: a) it will result in funding needed by the organization for its work; b) it will provide funding for an emergency reserve, evening out cash flow and organizational investments (such as in new computers or carpeting, or a publicity campaign); and c) it is in line with the organization's ethics and values (for example, whether or not a community center should accept donations from beer companies).

For a breast cancer awareness center, the board may consider several funding strategies, such as a) a combination of foundation grants and an annual dinner/dance; b) a combination of participation in a combined breast cancer walk-a-thon and publication sales; c) mail appeals combined with major individual gifts; d) government contracts combined with foundation grants, etc. This board may decide to adopt a strategy of participating in the walk-a-thon, selling publications, and soliciting major individual donations. This decision is based on what is realistic for their current board and staff to take on, as well considering the opportunities most available to them.

At the breast cancer awareness center, board members in their Support responsibilities agree that each board member will participate in one or more activities. One board member volunteers to bring 10 people to help at the walk-a-thon. Another will send out email publicity about publications to book editors and bookstores. A third agrees to hold a party at her house and ask her friends to attend for \$1,500 each. Each board member supports, in a way comfortable for her, either the contributions component or the earned-income component of the revenue strategy.

In short, the board's Governance responsibility is fulfilled in choosing and monitoring a revenue plan, while individual board members Support the organization by participating in the plan's implementation. Clarifying this distinction, as well as the role expectations of board members, will go a long way towards calmer, less emotionally charged, more productive discussions about fundraising.

Related Board Café articles (archived at www.boardcafe.com):

- Five Things One Board Member Can Do to Raise \$100 to \$5,000
<http://www.compasspoint.org/boardcafe/details.php?id=70>
- Two Simple Ways to Communicate Expectations about Money
<http://www.compasspoint.org/boardcafe/details.php?id=80>

- A Board Member Contract

<http://www.compasspoint.org/boardcafe/details.php?id=30>

Coming in the June issue of *Blue Avocado*: a Board Café column on crafting a revenue strategy for financial sustainability

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(website) <http://www.compasspoint.org>.

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Check out USA Swimming's new Club Recognition program. Follow the blueprint to develop a strong, stable, financially sound and athletically productive organization. See www.usaswimming.org/ClubRecognition