

**US Chess**  
**Executive Board Meeting**  
**August 4th, 2022**  
**Rancho Mirage, California**

*This document is a summary of the proceedings of this meeting. It includes motions made, action items accepted, and subjects discussed.*

***OPEN SESSION***

Executive Board members present:

Mike Hoffpauir, President

Chuck Unruh, VP of Finance

David Day, Member

Kevin Pryor, Member

Carol Meyer, Executive Director

Randy Bauer, Vice President

Fun Fong, Secretary

John Fernandez, Member

Executive Board member absent: David Hater (attending FIDE General Assembly on behalf of US Chess)

President Hoffpauir took the roll, establishing a quorum.

There were no new conflicts of interest.

The President spoke about the monthly board meetings that take place via Zoom, lasting from some hours, depending on how long business takes.

**EB22-068 – Fong** - It's been so moved that the Executive Board meeting minutes for March, April and July be approved.

**PASSED 7-0** with David Hater absent and not voting

The Executive Director reported on the move of the US Chess headquarters from Crossville to St. Louis.

The move took place around July 15<sup>th</sup>. Regarding the sale of the Crossville building, there is an active contract that is expected to close on, or before, the 15th of August. The price is \$820,000. The LMA Trustees are all signing for the sale.

The Executive Director expressed appreciation for the Crossville staff and other employees who had helped with packing, and a thorough and appropriate house cleaning of material that had come from New York, some years ago. Some library materials are on permanent loan to the Hall of Fame in St. Louis. Dan Lucas organized a book giveaway, and 122 boxes of books were gone in 11-12 minutes. About 140 boxes of books were moved to the library at the new office. Corey Kormick is the only employee working in the St. Louis office at this time. The new office is on

public transportation lines in an area called Union Station. The office suite is in a building on the historic register as it was originally built to service the World's Fair in the early 1900s

At the President's request, VP of Finance Unruh and the Executive Director spoke of some of the 2022-2023 budget items teed up for discussion at the finance workshop.

VP of Finance Unruh stated:

- An operationally flat budget is proposed.
- There may be a surplus. The one-time costs of moving to St. Louis were projected to be half a million dollars, instead the moving costs are closer to \$50,000.
- Having three members of staff in the Crossville building cost \$30,000. Renting a prime spot in St. Louis for \$36,000 and sending the LMA a lump sum of about \$750,000 will create a surplus when the proceeds are fully invested.
- Last month's investments showed a gain in dividends and value, but the month before we lost value. In terms of net value, US Chess, having grown in complexity, is worth \$3.723 M.

The Executive Director will speak to staff costs, etc., in more detail. The information will be presented at the finance workshop on Friday at one o'clock.

Vice President Bauer asked if there were any other one-time expenses, apart from those associated with the move to St. Louis, in the revised budget 2022-2023. The Executive Director stated that as part of the move some old resources – photographs, crosstables, publications – had been digitized, which came with a cost. VP Bauer acknowledged this as a necessary cost and that this was a balanced budget once the one-time expenses were removed.

As a 501(c)(3) organization, US Chess has built a surplus that allows for the organization to maintain a reserve fund. However, the organization does not intend to keep growing its surplus, except for what is a prudent set-aside for reserves. US Chess is financially sound and is investing in building programs that support its mission. A slight deficit following a year when there was over \$1 million surplus the previous year is to be expected and is not outside the norms of a 501(c)(3) organization, Bauer noted in speaking in support of the proposed budget.

VP of Finance Unruh confirmed that last year's audit had been positive, and that US Chess is financially sound in spite of all of last year's challenges. The budget would be gone over in detail at the subsequent finance workshop.

There was no further discussion.

**EB 22-069 – Unruh - I move the board approve the revised budget of this week.  
PASSED 7-0 with David Hater absent and not voting**

VP of Finance Unruh and VP Bauer also spoke of a strong possibility that US Chess will receive a retention credit of almost \$250,000 from the federal government.

VP Finance Unruh stated that the organization was very financially solid thanks to the membership, and policies of previous boards, and prudent management

President Hoffpauir updated the meeting on the FIDE elections' progress, taking place in Chennai, India. Michael Khodarkovsky is the US Chess FIDE Delegate. David Hater is there in his capacity with the FIDE Ethics Commission, but the Executive Board asked him to stay on to support our Delegate during the election's proceedings. Allen Priest is there due to his role on the Verification Commission.

Delegate Maureen Grimaud (GA) asked about safeguards against cheating in the FIDE presidential elections. President Hoffpauir said that Carol Jarecki had served on the FIDE election panel four years ago. People perceived as independent were appointed, and it is they who count the ballots, sequestered from the delegates and presidents. As it is a secret ballot, we can't be certain who our delegate will vote for, but we have confidence that Mr. Khodarkovsky will do as directed by the board.

The President thanked the Scholastic Council for putting together the 2022-23 regulations together in a timely fashion, so the board had the chance to review them. The board was comfortable with everything apart from making a minor change to the sectional byes, based upon some input from Boyd Reed and subsequent board discussion.

**EB 22-070** – Hoffpauir – I'd like to ask the Executive Board to approve the 2023 Scholastic regulations as presented to the board this morning on August 4th.

**PASSED 7-0** with David Hater absent and not voting

This concluded the formal agenda.

Mike Nietman mentioned in the past the Delegates ratified the Executive Board's votes, but it hadn't been done for several years. [Note: this was subsequently found to have been formally discontinued several years ago.]

A member enquired about whether a scholarship fund should be part of the endowment fund. The Executive Director spoke to this. As there were concerns about putting money for scholarships in risky investments, the scholarship funds are kept in a checking account so that it can be paid out.

The President spoke of the impressive quality of the discussions in the working groups and their influence on board decisions.

Delegate Immitt (NY) asked for further information about the changes to Scholastic Regulations, and the President explained that the only changes to the Scholastic Regulations was to the byes.

Staff will now get feedback from the Scholastic Council regarding bidders

The Scholastic Council will now take questions from bidders for scholastic events.

Delegate Dewain Barber (CA-S) suggested that the board monitor the use of the word 'scholarship' as used by chess instructors in promoting their events as part of the TLA list. Delegate Barber felt that the term was misused to imply money for accredited college courses when it often turned out to mean money for chess instruction alone.

An attendee asked that consideration be given to a more competitively priced venue for future US Opens. President Hoffpauir responded by stating future events would be seven-day events

Meeting adjourned.