

NOVEMBER, 2008, USCF EXECUTIVE BOARD MEETING

The Executive Board met in Nashville on Nov 1 and 2, 2008. All Board members were present in person except for Susan Polgar and Paul Truong who were present through a phone connection. Pat Knight, Mike Nolan, Mike Nietman, and Joe Nanna also attended the meeting.

President Bill Goichberg called the meeting to order and asked for VP of Finance Randy Bauer to report on the current financial status. Randy Bauer noted the concern nationally and how it may affect consumer spending, but indicated that while things are tight and need to be watched closely we have access to our line of credit. He also noted that this is becoming one of the better performing months so far.

Bill Goichberg then gave the President's report. He noted that about 5/6 of the Adult Memberships selected the option with the printed magazine. While total membership is down, June, July, and August (historically months where membership declines) were better than expected, nearly breaking even.

Bill Goichberg focused on how the economy might affect USCF. He noted that people may choose to play chess instead of getting involved in a more expensive activity. On the other hand, he pointed out that attendance at Jerry Weikel's Western States Open fell by about 1/3 and mentioned that tournaments in IL and OH, which also rely on out of town players, also show a decrease in entries. He mentioned a tournament in Connecticut that had a good number of advance entries, primarily from local players. He suggested the possibility that local events may be OK but that there may be less willingness to travel. Advance entries for the National K-12 are slightly down but the room block is strong. Bill Hall suggests that people may be adding time to their stay to combine the event with a vacation due to the economic downturn. Bill Hall indicated that the expectation was about 10% below last year.

Bill Goichberg mentioned that there are some uncertainties as to when, where, and possibly if the Kamsky – Topalov match will take place. It is expected that the matter will be resolved at the upcoming FIDE meeting in conjunction with the Olympiad.

Bill Goichberg announced that the EB had extended the Executive Director's contract for two years and commended Bill Hall for keeping expenses down and helping to increase sponsorship.

Bill Hall then gave the Executive Director's report. He noted that to date a lower than expected percentage of members (including Scholastic) chose an online option with no printed magazine. While we will realize savings in printing and mailing costs that will more than offset the lower revenue there will be a strain on cash flow for a few months. Because the current economic downturn is driven by consumer confidence it can affect memberships because a membership is something that a cautious consumer can put off for a while. He pointed out that the expected seasonal increase in revenue is about a month late but that it appears to have arrived. Short term, consumer confidence would affect adults more than scholastic members, but if there is a prolonged recession budget cuts will affect travel and there would be more of an affect on tournaments, including scholastic.

Bill Hall noted that we now have a sponsor for the US Women's championship. The Chess Club and Scholastic Center of St. Louis will provide a \$65,000 prize fund.

He indicated that we have used our line of credit and announced that the Executive Director and the Executive Board have requested a loan from the LMA to cover what is owed to the Profit Sharing plan (about \$41,000). The LMA Committee has approved the loan.

Next to be discussed was the Profit Sharing plan. Executive Director Bill Hall proposed termination of the Profit Sharing plan.

EB09-011 - Executive Board - RESOLUTIONS FOR TERMINATION OF THE USCF PROFIT SHARING PLAN

RESOLVED, that the United states of America Chess Federation Profit Sharing Plan & Trust (the Plan") to be terminated effective as of November 1, 2008, and that the Plan be liquidated and final benefit distribution be processed to all participants and beneficiaries as soon thereafter as may be administratively practicable.

FUTHER RESOLVED, that the Plan be amended to bring it into compliance with the statutory and regulatory changes commonly referred to as the “EGTRRA” requirements and that the Plan be further amended to incorporate and other changes the Internal Revenue Service may deem necessary for the written form of the Plan to be deemed a qualified plan upon termination.

FURTHER RESOLVED, that the Executive Director of the Corporation is hereby authorized to execute such documents and to perform such acts as he may deem appropriate and in the best interest of the Corporation to effect the amendment, termination and liquidation of the Plan and to otherwise implement the foregoing resolutions. **PASSED: 6 – 0**

Bill Goichberg brought up the subject of finding new members. Mike Nolan’s membership data indicated that in the last several years renewals were OK but new memberships have declined.

EB09-012 - Susan Polgar, Paul Truong - Key Employees

At this time the only key employee truly identified that the USCF cannot operate without is Mike Nolan. Key employee insurance is reserved only for employees of an organization and not a contractor / consultant.

Seek to convert Mike Nolan to an employee and insure. If not financially possible then enter discussions with insurance agencies to determine if Mike Nolan can acquire the insurance himself and bill the USCF for it. Prior to this occurring, the USCF must be given guarantees that the insurance agency would provide the coverage and make USCF a beneficiary. Additionally prior to occurring factor in costs of the insurance being passed through by Mike Nolan, plus his consulting fees and determine if less than hiring him plus the direct cost of insurance to the USCF. **FAILED: 2 – 4** with Susan Polgar and Paul Truong in favor. Please note that Mike Nolan indicated that this type of insurance is usually not recommended.

EB09-013 – Polgar - College Chess Committee - Reappoint previous members of the College Chess Committee. Bill Hall offered a friendly amendment accepted by Susan Polgar to remove Gregory Alexander from the College Chess Committee. **PASSED 4-0-2** with Susan Polgar and Paul Truong abstaining.

EB09-014 – Hall - Add Joshua Snyder to the TDCC Committee and reappoint previous years’ members. **PASSED 6-0.**

EB09-015 – Hall - Move that the USCF recognizes and congratulates Sam Shankland for tying for 1st Place and receiving the Bronze Medal in the Under 18 section of the World Youth Championship. The USCF would also like to recognize Darwin Yang for his Bronze metal performance in the Under 12 section. **PASSED 6-0.**

EB09-016 - Executive Board - Norm based title system - To encourage more frequent play and provide cumulative recognition for life time achievement, USCF implements the norm based Titles System suggested by the Ratings Committee and approved by the Delegates. Each title requires 5 norms with a performance above the title level based on a formula (the shorter the event, the higher the required performance).

Titles available:

Senior Life Master (level 2400): Requires 5 norms plus current or former rating of 2400 or above.

Life Master (Level 2200): Requires 5 norms plus current or former rating of 2200 or above.

Candidate Master (Level 2000): Requires 5 norms plus current or former rating of 2000 or above.

1st Category (Level 1800): Requires 5 norms only.

2nd Category (Level 1800): Requires 5 norms only.

3rd Category (Level 1800): Requires 5 norms only.

4th Category (Level 1800): Requires 5 norms only.

The norm based title system shall begin by crediting all play recorded in our computer, which goes back to 1991.

Note: The title of “Original Life Master”, based on playing 300 games at a level of 2200 is continued without change. Players may achieve the Life Master title, Original Life Master Title, or both. **PASSED: 5 – 1** with Susan Polgar opposed

EB09-017 – Executive Board - The Executive Board asks the Ratings Committee in consultation with the office to investigate devising a procedure for awarding appropriate credit towards titles for results or ratings achieved prior to those in our computer. The idea is that such credit would be assigned only on request and that the office would charge a research fee to cover costs. **PASSED 6-0**

EB09-018 – Bauer - The US Open shall award 300 Grand Prix Points. **PASSED 6-0**

EB09-019 – Goichberg – Amend EB09-001 - Level one and two sanctions must be imposed in the order that the posts were made. All sanctions expire after a period of time and the participant’s sanction level drops. The expiration periods are:

A one day or one week sanction expires in 6 months, and indefinite or one year sanction expires in 1 year.

- 1) Omit “Level one and two”
- 2) Add “after the sanction went into effect” after “period of time” **PASSED 4–0-2** with Susan Polgar and Paul Truong abstaining.

EB09-020 – Polgar, Truong – Website - The Executive Director and USCF Web Site contractor are to develop and execute a 2 month plan for completion and transfer of control and maintenance of the USCF Web Site to the USCF staff. Finalization is to occur by January 1, 2009. **PASSED 6-0.**

EB09-021 – Executive Board, Hall - The Executive Board and Bill Hall would like to thank Rachel and Myron Lieberman for their years of dedication and service to the USCF, past, present, and future. **PASSED 6-0.**

EB09-022 – Executive Board, Hall -The Executive Board and Bill Hall would like to thank Pat Knight for her assistance with the planning of the Executive Board meeting, during the meeting, and tour of the Gaylord Opryland Resort and Convention Center. **PASSED 6-0.**

ACTION ITEMS FROM THE NOVEMBER MEETING

JN09-001 – CFO – The CFO is to provide upon immediate receipt of monthly financial reports, copies of financial worksheets to all members of the Executive Board and Finance Committee.

JN09-002 - CFO – Membership Reports should be sent with more detail to the Executive Board.

BHJN09-001- The ED and CFO will create, distribute, and implement a policy statement, supportive processes, and procedures for the handling of deferred memberships and to ensure an accurate monthly schedule is provided in tandem with monthly USCF financial reports.

BH09-002 – The ED will look into offering Military discounts for USCF membership.

BH09-003 – The ED will pursue the possibility of seeking volunteers to seek sponsors and grant writing.

Please note: These Action Item numbers are sequential for the year. BH09-001 was agreed to at the August meeting.
