

**US Chess**  
**Executive Board Meeting**  
**November 10-11, 2018**  
**New Orleans, LA**

*This document is a summary of the proceedings of this meeting. It includes motions made, action items accepted, and subjects discussed. Details of discussions, etc., may be obtained from the audio files online.*

***OPEN SESSION 1***

The following Executive Board members were present:

Allen Priest, President	Chuck Unruh, VP of Finance
Mike Nietman, Secretary	Mike Hoffpauir, Member-at-Large
Hal Sprechman, Member-at-Large	Ryan Velez, Member-at-Large
Carol Meyer, Executive Director	

*VP Randy Bauer was unavoidably absent.*

Executive Board President Allen Priest called the meeting to order and welcomed everyone. Secretary Mike Nietman called the roll. The Executive Board members above were present and a quorum was established.

**Items from the Pre-Meeting Packet:**

1. Acknowledgement that some committee charters are still either in a state of flux or being written.
  - a. It was established that when an event-based committee, such as the Denker-Barber, passes rules governing the conduct of an event, the EB has the opportunity to approve those rules but does not have to actively vote on them.

**EB19-027 – Nietman** – I move to name Kelly Bloomfield chair of the College Chess Committee effective December 1, 2018 and to thank Al Lawrence for his service as chair.

**Passed 6-0 with Randy Bauer not voting** (Let the record reflect that Randy voted affirmatively on November 12 in an e-mail to Allen, Hal, Carol and Mike N.)

2. President Priest registered an objection to the naming of one of the proposed podcasts, Patzer Cast, that he felt was contrary to US Chess's commitment to valuing all players regardless of rating or ability. He said that he was on board with the idea behind the podcast but not the name of it. It was generally agreed that the name would be seen as offensive. The Executive Director agreed to talk to the communications staff about changing it.
3. President Priest supported the idea of having the Rule Book available in sections, as did others, so that people can select which is of most relevance or interest to them. Executive Director Meyer said that the communications department was on target to get the Rule Book online by the January 1, 2019 target date, likely sooner.

4. Executive Director Meyer explained a problematic use of the US Chess logo by affiliates when advertising for their events. Some were using it in such a way that it obscured whether it was a US Chess run event rather than one that was simply rated by US Chess. She directed board members to the examples provided in the packet. It was affirmed by the Executive Director that we do want to allow affiliates to use our logo but that clearer parameters are needed. The Executive Director clarified that a primary concern with inappropriate use was potential liability to US Chess for situations at an event that appeared in advertising to be one run by US Chess. President Priest asserted that regardless of logo use that we did not carry liability for an event that was not run by US Chess.
  - a. It was suggested that it be required that words such as “US Chess Rated Event” be used in conjunction with a logo to clarify its usage in an advertisement. It was generally agreed that this limited liability.
  - b. President Priest endorsed the course of action proposed by the Director of Communications in the Pre-Meeting Packet for developing guidelines and disseminating them to affiliates and asked that it be presented to the board at the January meeting.
  - c. A member thought it raised a broader issue of affiliates’ responsibilities and offered to craft guidance to the States & Affiliates Committee to review and to further recommend to the EB. This was agreed to.
  - d. As clarification, it was stated that there was no interest in licensing organizers as FIDE does but rather providing guidance for organizers. There was some agreement that it would be good to provide a manual for organizers because badly run tournaments reflect badly on US Chess because there is an automatic association. It was also suggested that there could be a merit-based list of organizers available. For the record, President Priest clarified that it is the affiliate in the US Chess structure that has responsibilities similar to FIDE organizers.
  
5. Events:
  - a. President Priest brought to everyone’s attention an issue with the World Cadet in Spain in which some parents complained to US Chess about not getting timely hotel information. The information dissemination was the responsibility of the organizer of the event, not of US Chess. He noted that the issue was resolved with everyone being able to attend.
  - b. Regarding the World Youth Under 16 Olympiad, President Priest noted that we were at fault for not getting the information out as early as we should have. He also noted that team uniforms were purchased for our team at this event though it was not in the event budget.
  - c. President Priest stressed that the World Youth Under 16 Olympiad was an open event which is not limited to one team per country. Though there is an official US Chess team for the event (which gets free room and board by the organizer and is provided with a stipend and a team captain by US Chess), others can register a team through US Chess and fully participate.
  - d. President Priest noted that we need to get all invitational information compiled in one location.

- e. The SuperNationals VIII (2025) is booked at the Orange County Convention Center in May 2025. The benefit of the West Concourse is the easy access to additional hotels. This will be the first SuperNational in which the playing hall will be separate from the blocks of hotel rooms. President Priest said that the Executive Board visited this site in early 2018 to see if it might be a new model for SuperNationals. Executive Director Meyer shared that the prices were not out of line with the Gaylord prices today and that the 2018 rate is locked in for the 2025 SuperNationals.
6. The 2017 990 and financial statements were provided in the Pre-Meeting Packet. The push to file the 990 was driven by our need to file an annual report with state charitable licensing offices in order to raise funds in those states. All Executive Board members received it before it was filed, by US Chess policy. President Priest also sent it to two former board members because they were named in it.

President Priest drew attention to Schedule A, the Schedule of Public Support, in the 990. As a 501(c)3, US Chess needs to show broad public support, which is demonstrated on Schedule A. President Priest stated that our public support over the last two years has been over 91% (with 2/3 being the requirement). President Priest then drew attention to Schedule B of Form 990, which requires that individuals who contribute more than \$5,000 be listed, including their name, address and how much they contributed. Since this is a public document, there is no way to make someone who contributes that amount anonymous. President Priest then asked members to look at the narrative descriptions in Schedule O of Form 990, which had been significantly revised since becoming a 501(c)3.

7. It was noted that the Clubs Committee had been asked for a summary report of its activities and did not respond with a report.

### **Executive Director's Report**

1. Shortly after the US Open, US Chess signed a contract with Tim Just to update the Rule Book, Version 7. Because we were released from a previous publication contract with Random House, US Chess has the right to publish it in print and online. Communications staff is on track to have the new Rule Book on the website before the end of 2018. The search for a print publisher is ongoing. Currently the leading candidate is Amazon because of its distribution network. The print edition will not be available until after Jan. 1, 2019.

A question arose about a process for determining what constitutes an editorial change to the Rule Book as opposed to a substantive change requiring a vote by the delegates. Executive Director Meyer suggested that the book's editor, Tim Just, would be the one to decide that. Another person suggested running any changes by the Rules Committee. It was further requested to distinguish when delegates were required to approve a change above and beyond either the editor or Rules Committee. President Priest said there was a prior precedent set by delegates for trusting Tim Just's judgement in this regard and that any objections to changes could then be raised as a motion.

2. IT Update.
  - a. Director of Events Boyd Reed stepped forward to assist with documenting technical requirements of our database transition in conjunction with Mike Nolan.
  - b. Director of Events Boyd and Executive Director Meyer are developing the Request for Proposal (RFP). It is projected to be ready in the first quarter of 2019. A 30-45 day response period was floated as likely with the intention of having a selection within a 30-45 day period after that.
  - c. Because of the interdependent nature of US Chess activities and database use, Executive Director Meyer acknowledged that this was not a project that could be implemented in phases. Though there will be testing along the way, it needs to roll out eventually as an integrated whole.
  - d. Contract procedures were discussed, including public Q & A periods for all parties, possibly having a site visit, and being sure that vendors understand the full scope of what is expected to prevent a lot of tagging on of extra costs after the contract is signed.
  - e. The need to develop proposal evaluation criteria and vendor requirements was brought up, including the ability to provide evidence of previous experience with similar work, a statement of how the work will be done, and how it will meet our stated needs.

## ***OPEN SESSION 2***

- f. For those new to the board, a brief history of the US Chess database system was provided by President Priest, including the reasons for its current need to be upgraded. Mike Nolan was acknowledged as the creator of the database and for his continued service adding features and handling problems that arise with it.
  - g. Director Meyer brought up the question of what from the old website needs to be preserved or whether we will archive the entire site.
  - h. A board member brought up the vulnerability to the organization during the contract negotiation process of having a single point of knowledge that a potential contractor may try to manipulate to their advantage. Executive Director Meyer and others considered the likelihood of that form of manipulation to be negligible and that some precautions were already worked into an existing contract.
3. Staff Updates
  - a. New hires since the August meeting: Geoff Isaak, Director of Development and Jennifer Pearson, Governance Coordinator.
  - b. Development Director activities have included the planning of a year-end giving campaign, creating a segmented list of potential givers, having a Giving-Tuesday presence, and developing a full page Case for Support document of 14-16 pages.
  - c. Staff reviews are under way and will be done annually between September 15 and December 30 regardless of individual staff start dates.
  - d. Staff members have been stepping up to take on new duties. Boyd volunteered to help with IT and Jen Shahade volunteered to take on programmatic oversight of women

- and girls in chess and to help with fundraising in that arena. Debra Robison has also asked about supporting and participating in fundraising as well.
- e. President Priest acknowledged both the importance of staff with a long history in the organization and the value of bringing in new people to learn from them. He also noted the need to prepare for likely adjustments that may occur as people retire and new people come on board with a potentially different perceptions of the best way to operate. Executive Director Meyer noted that she and Director of Administration Judy Misner have had conversations about cross-training staff members so that more than one person knows how to do basic and essential functions of the organization.
  - f. Sharon McClure, a membership assistant, is largely responsible for the Membership Appreciation Program (MAP), which is needing an update. She is working with other staff to get an understanding of what needs to be done and gathering suggestions as well as offering her own. The upgrade of that program reaches beyond the next year but the result should be a stronger more robust program.

Executive Director Meyer reported that she has been working closely with Chair-elect of the College Chess Committee Kelly Bloomfield on having a college fair at the High School Scholastic Nationals in Chicago in 2019. This will involve having 10 tables available in the Skittles room for a nominal fee to colleges and universities.

4. Conversations with Ken Ballou, Chair of the Elections Committee.
  - a. Executive Director Meyer reported that she has been talking with Ken Ballou, the Chair of the Elections Committee about moving away from a paper ballot election and moving toward an electronic ballot. However, she is not directly involved in the ongoing discussions.
  - b. She also discussed with him the possibility of doing an online townhall, perhaps via Facebook live, as a way for members to ask candidates questions in the upcoming Executive Board elections. Members could submit questions in advance and/or someone could serve as a discussion moderator, choosing questions from those proffered live in text or chat form. She advocated for this as a way to both open the process to those who may not participate in our forums and as a way to attract and involve younger members. Ken Ballou was in agreement about the benefit of holding this sort of live online event. President Priest shared his experience with live in-person debate forums and affirmed the need for a good moderator as did other members.
5. Executive Director Meyer reported on continuing conversations with the Alzheimer's Association in conjunction with the Accessibility and Senior Committees regarding collaboration. and other outreach regarding partnership.
6. Executive Director Meyer has also connected with an organization to raise awareness about etiquette when dealing with the disabled. Permission has been granted for US Chess to borrow their work and incorporate it into what the Accessibility Committee is doing.

7. US Chess is currently collaborating on 2 research studies. The survey through Geisinger Health has gotten IRB approval. It is looking at study habits in chess. The other is a Stanford study approved by Mark Glickman of the Ratings Committee and is looking at our ratings data in de-identified form. It does not involve a survey.

### **Brief Discussion of the Process for a Review of the Executive Director**

President Priest remarked that he had begun to prepare for the Executive Director's review and that it would be discussed more in the Closed Session. He mentioned that one of the challenges was that the board did not give her a direct set of goals when she was hired. Thus the review will be based on the job description for the hiring. Over the next year he expected the board to work on a more refined set of goals by which to evaluate the performance of the Executive Director. He also expressed that the board personnel committee who would usually do such a review be expanded to include at the least former president and current Director Mike Hoffpaur who was directly involved with Carol's onboarding. He expected that the actual review would take place at the January meeting.

### **Vice President of Finance Report**

1. VP Unruh brought attention to the September numbers while at the same time noting that October was a transition with the addition of a staff position and programs, as well as the beginning of the IT transition costs. In September the organization ran a large surplus with the knowledge that costs associated with events were coming in October. He stated the organization's real organic growth as around 4%. In adult regular memberships, US Chess is \$12,000 above budget. He pointed out that although the membership revenue has been stable, our membership has increased but the increase has been among lower cost scholastic memberships. He welcomed the addition of a Development Director but expressed that it would remain the membership dues that would support our mission over the next 6 months. He felt that donations targeted for specific aspects of the US Chess mission (such as those seen on Tax Form 990 discussed above) would be the largest source of non-dues income with some general contributions possibly also coming in. He stated that we are working off our normal revenue streams and that they should see us through the next 6 months. At that point, the potential income generated by Development activities can be better evaluated. He thanked the staff for keeping costs down, saying that the expense side was one of the strengths that allowed for the surplus. He expected October's numbers to be more in line with the budget.
2. The Reserve Fund was kept in cash after September while forming an investment team and preparing an investment strategy. Staying in cash proved fortuitous because of the current value trend of the American Dollar. In the current Ameritrade account, the fund is making a little less than 1%. The current plan is to divide up the Reserve Fund into categories for investment. It will remain cash heavy (25%) because of the nature of the fund, which is to provide immediate assistance in the event of an emergency. The next category is Preferred Indexes with an expected yield of 5.6% (as compared to what is currently in the bank, which might make 2.5%). VP of Finance Unruh acknowledged that this was a conservative investment plan focused on capital preservation. Income from the

funds will be in dividends, not capital gains. The 3rd category was Senior Notes Strategy Funds (expected yield 7%), which adjust according the fluctuations in the interest rates. This is considered a balance to the previously mentioned Preferred Index funds whose value decreases as interest rates increase. President Priest brought to everyone's attention that these were all Closed-end Funds as opposed to Mutual Funds. Closed-end Funds are considered more stable. VP of Finance Unruh recommended also having some international (4<sup>th</sup> category) investment exposure (expected 4% yield). The 5<sup>th</sup> category would be Equity Strategy Funds (expected 3.79% yield). Treasury Funds are the 6<sup>th</sup> category (2.5% expected yield). Total Return Preferred (not Equity) Funds are the 7<sup>th</sup> category (8% expected yield). VP of Finance Unruh made some historical arguments for investing conservatively at this period in time. He also showed a chart of weekly volatility in the LMA Fund to show how the capital had never been touched despite swings in the market and described some of the current market conditions that created the swings and that are further troubling for fixed income.

*[Recorder cut out at 1:01:39. President Priest summarized what may have been missed at the beginning of Open Session 3.]*

### **OPEN SESSION 3**

Secretary Nietman acknowledged that the recorders were filled to capacity and that he had taken steps to delete old recordings to make space for continued recording.

President Priest summarized what might have been cut off from Session 2 indicating that the investment strategies for the LMA and planned strategy for the Reserve Fund were discussed and affirming that the Reserve Fund is not money that is needed for an immediate purpose and thus the organization benefits from having it conservatively invested for a yield greater than a 2% CD.

3. PPHB Fund as summarized by the president. This fund has been sitting in a checking account where it will be impacted by inflation. There has not been a claim on it in the past few years. Thus the board is considering taking a portion of it, that which has been in a CD, to invest using the same strategy as the Reserve Fund, leaving within checking enough to pay for 3 lifetime benefits.
  - a. A concern was raised about how some of the investments might affect our taxes and/or tax-exempt status. The president affirmed that any investments that would cause such a conflict have been avoided.
  - b. The president also addressed concerns over investments that may be a conflict of interest to our mission by asserting that this is not intended to be a social activist motivated portfolio and so broad classes of investment have not been avoided. He also said that any unethical corporate practices would be caught by higher authorities before it caused any problem to US Chess.

- c. The president affirmed that this investment strategy would take place over time and with the oversight of a committee (motion to form it below).
- d. VP of Finance affirmed the accuracy of the president's statements and added that any of the proposed investments could be liquidated within 3 days with the exception of CDs.
- e. VP of Finance informed the board that conditions favored starting the investments this December (motion to do this below).

## ***OPEN SESSION 4***

### **Review of Delegate Motions requiring action**

1. Developing a code of conduct for tournaments.
  - a. The Executive Director gave a history of the interest in having a code of conduct developed and the route taken to do so.
  - b. Mr. Hoffpauir elaborated on situations that occur during events that call for a code of conduct, as well as the need to provide training for staff for their awareness.
  - c. Director Hoffpauir drew attention to the draft that was part of the Pre-Meeting Packet, indicating that it needed review by board members and then legal review.
  - d. This code of conduct is for US Chess national events or any event that US Chess bids out. Affiliates are free to come up with their own policies.
  - e. Board members asserted that organizers would bear the cost of tournament staff background checks but that background checks on file that are within the time limit of the code of conduct can be used. US Chess would make information about who has a current background check on file available to organizers.
  - f. The code of conduct favors bringing in local law enforcement as a first response. A discussion followed about how to get useful information for the various states in which a tournament may be held. President Priest suggested reaching out to the Boy Scouts of America for their resources in this regard and to then offer this information to state affiliates in addition to retaining it for our own use.
  - g. President Priest noted that this item was not technically on the agenda. Though it's related to item "2 d iii" on the agenda, it is separate and could have been a fourth item named Proposed Policy and Guidelines for Safe Tournament Play.
2. Spectator Code of Conduct (DM18-36/NDM18-14)
  - a. Director Hoffpauir offered to take on drafting this, which was mentioned by others as already being in the scholastic regulations.
  - b. There was general agreement that this should be offered as a downloadable document on our website and to distribute it to our affiliates.
  - c. There was a discussion of how a Spectator Code of Conduct overlapped with or was further supported by the larger, more comprehensive tournament code of conduct discussed above.
3. Transgender Policy
  - a. Motion DM18-35/ADM18-23 was referred to the Executive Board and the Women's Committee at the 2018 Delegate Meeting. The Women's Committee report was



- understood to be asking the Executive Board to create any changes to the original policy for the Women's Committee to then review. The primary delegate concerns were about how the policy would be implemented. These were to some degree addressed in FAQs attached to the policy. Upon prior review, it was agreed that some of these needed to be incorporated into the policy.
- b. The third FAQ merely encouraged registering a change of gender before an event rather than at the event. A proposed change to the policy is to require that a gender change be done through the US Chess office prior to declaring it at an event. However, it was brought up that such a change does not take into account human or computer error when entering gender into our database. Thus someone who was erroneously either not given a gender in his/her member record or who was given the wrong gender could be prevented from playing when he/she shows up for a tournament should the proposed change be implemented. It was agreed that this sort of situation is up to a TD's discretion and that any problem could be taken up afterward as an ethics complaint. It was agreed that the language in the guidelines/FAQs should be strengthened regarding registering gender changes with the office prior to an event and also that the requirement be worked into the policy itself.
  - c. DM18-35/ADM18-23 also asks that the policy include an appeals process should someone come forward declaring that someone who has declared a gender change has not, in fact, had one but was only declaring a new status for a chance at a higher ranking or some other perceived advantage. Because of the infrequency of requests for gender change and the above stated resolution to add to the policy the requirement of a call to the office to officially change status prior to playing in an event as a different gender, that it was not necessary to make a provision for an appeals process and that it could be handled as an ethics complaint of unsportsmanlike conduct should it arise.
  - d. A question was raised about whether an organizer could specify a date that the organizer will use for determining gender for a given tournament in an advance tournament announcement just as is done with ratings. It was determined that this could be problematic since a player making a gender status change would want to have his/her gender status active immediately upon US Chess office approval. It was decided that the policy should specify a time period (two weeks was proposed) that a person must make the change before being able to play as the new gender in a tournament. It was also determined that a tournament director could look up the gender in the MSA (Member Services Area) to confirm the change and so no other form of proof, such as a letter or new card would be necessary.
  - e. DM18-35/ADM18-23 also suggests that a period of two years pass before a second change in gender status (back to the original one) be allowed. It was understood that this was to discourage people from making frivolous gender changes in the first place to gain unfair advantage. The board determined that their previous research when creating the current transgender policy did not suggest frivolous changes with the intent of competitive advantage were common in other sports and that the instances that did occur could be dealt with as ethics violations.

- f. It was agreed that the spirit of the last sentence of DM18-35 (“US Chess also reminds its members that its Transgender Policy is subject to local laws governing US Chess events”) should be added to the policy though the exact wording could be different.
  - g. It was agreed to change the wording of FAQ “Can I show up at an event and request a change in gender on my US Chess membership record?” from “*call* the membership department” to “*contact* the membership department.”
  - h. It was agreed that the above stated changes to the policy (requiring gender changes be put in a player’s member record within a specified period before playing as that gender [proposed language: A request to change gender must be done at least two weeks prior to participating in a US Chess rated event]; awareness of and adherence to local laws) will be made and evaluated by legal counsel, voted on by e-mail, and then sent to the author of DM18-35/ADM18-23 and to thank him for bringing up issues intended to make the policy more usable at the local level.
4. Referred Motion DM 18-37/ADM 18-25.
- This motion suggests requiring Executive Board approval before a piece of equipment used by TDs and players at tournaments be considered US Chess certified. The perception was that this suggestion arose out of a recent situation in which a subset of a committee communicated that a piece of equipment was so certified without passing their information about it to the EB for final approval. This issue was discussed during the 2018 Delegates Meeting and President Priest felt that it was established then that, yes, such certification must receive final approval by the EB. The issue of what constitutes “transparency” as it is used in the motion came up. The author of the motion reportedly meant that whenever a device was in the process of review for certification that it should be made public. The EB disagreed that would be appropriate and considered transparency about the general certification process to be adequate and currently clear.
5. In reference to but separate from DM 18-37/ADM 18-25, a point was made that there still needs to be some refinement of US Chess rules and guidelines regarding when equipment is considered “certified” for use. For example, there is an impression that if equipment is certified by FIDE that US Chess in turn must approve it and that tournament directors must allow it to be used. Our current guidelines don’t clearly state the power of Chief TDs to determine what equipment will or won’t be used. Cited was a document on our website: “Guidelines for Certification of an Electronic Scoresheet.” This document states, “The International Chess Federation (FIDE) has a process by which to certify electronic scoresheets. Any device certified by FIDE will be approved for use in US Chess events upon completion of the application.” It is unclear which application (US Chess or FIDE is being indicated). It was believed that this document arose from the Rules Committee rather than as a board policy. The Executive Director felt that the current online document’s criteria/test did not adequately address the transmission abilities of current devices. It was decided that the previously drafted changes be considered again with the intention of grandfathering in already approved devices. It wasn’t considered feasible to require re-certification of software updates to already certified devices. There were concerns that device certification procedures could become cost prohibitive for new devices.

6. DM 18-41/NDM 18-04 requested that home schools be allowed to use the JTP program to rate their tournaments. It was brought up that over the past year, the Scholastic Council redefined what constitutes a school and that it was necessary to reference that to determine whether that redefinition now included home schools. The new scholastics regulations seem to exclude anyone who wanted to include a school composed of students with a broad geographic distribution even if they are under one head of school and following the same curriculum. There was agreement that the JTP rules needed to be clarified. Director Ryan Velez will be looking at them with Mike Nietman. Ryan was encouraged by the Executive Director to contact Susan Kantor as an additional resource.
7. DM 18-42/NDM 18-05 suggested that US Chess bid out the contract for writing the 8<sup>th</sup> Edition of the US Chess Rulebook. President Priest immediately rejected the idea of bidding out a rule book. It was believed that the ADM arose out of rumors of an 8<sup>th</sup> edition that were unfounded.

### ***OPEN SESSION 5***

8. DM 18-39/NDM 18-02 proposes a reduced price for prison membership for the purpose of playing in tournaments while in prison. It was noted that this was not an ADM but rather a new motion at the delegates' meeting. It was also noted that the author of the motion was active in promoting prison chess. President Priest provided some background on this proposal, saying that prison players have been getting scholastic vouchers from the Chess Trust and then submitting them to the office for memberships. That was problematic because those prisoners did not meet the age range for scholastic vouchers. Though it had been approved by a prior US Chess executive director, it created confusion when discovered by office staff and so the issue of how to accommodate prisoners who want to play in tournaments arises again. President Priest had proposed to the author of the motion that a promotional membership status, specifically a voucher program similar to scholastics, could be used for those in prison. He noted also the social outreach aspect of encouraging chess in prison. Since the vouchers could only be used for people in penal institutions (which must be named when registering), it was proposed that any affiliate be able to purchase them to provide to a prison program or prisoners of their choosing. Prisoners will continue to have the option to make use of US Chess's current Special category of membership in the bylaws. The Special membership distinguishes itself from the voucher by including the magazine. It was affirmed that only affiliates could purchase the vouchers, which will then be provided to appropriate, qualifying people. Should an affiliate inappropriately distribute them, the affiliate's US Chess standing would be in jeopardy. President Priest committed to drafting a motion to be voted on during the next day's meeting.
9. **DM 18-38/ADM 18-26**, which suggested the addition of a Technical Director to the staff, was referred to the Executive Director but President Priest felt that it was at least partly a board issue because the board would have to approve allocation of funds for such a position. Neither the board nor the Executive Director saw the need for this position since many parts of the suggested position's duties were already being handled and those that

were not seen to be needed, a desired role for US Chess to play, or contrary to current practices and policy.

President Priest then turned to a series of motions he had drafted before the meeting.

**EB19-028 – Priest** - In accordance with the original motion (EB17-021) which set up the reserve fund, I move to transfer \$200,000 from the Regions Bank account to the Reserve Fund to increase that Fund to \$1.2 million. **PASSED 6-0** with Randy Bauer absent and not voting.

The next motion put forward by President Priest was to set up a committee that oversees the investment of the PPHBF and Reserve Funds.

**EB19-029 – Priest** – I move to appoint a Reserve Fund/PPHBF investment committee. The current members will be:

VP of Finance Chuck Unruh

Ruth Haring

Jim Bedenbaugh

Peter Dyson

Allen Priest

**PASSED 6-0** with Randy Bauer absent and not voting.

President Priest then introduced the following motion, stating that the current PPHBF checking account held \$30,000, enough for 3 full benefits. When that fund's CD matures, it makes available approximately \$105,000, which can generate a better yield if invested, as outlined by VP of Finance Unruh earlier in the meeting. VP of Finance Unruh added that he had arranged for free service for this account so there will be no fees associated with it.

**EB19-030 – Priest** – I move to transfer the PPHB CD, once it matures, to the Reserve Fund/PPHB investment account. The PPHBF checking account will remain intact at present. **PASSED 6-0** with Randy Bauer absent and not voting.

President Priest's final motion with regards to the Reserve Fund and PPHB authorized the newly formed Reserve Fund/PPHB Investment Committee to invest the funds according to the plan presented by VP of Finance Unruh earlier in the meeting. VP of Finance Unruh said that he expected, as with the LMA, that a document would be produced from Ameritrade every month that would be sent to the office and each person on the committee.

**EB19-031 – Priest** – I move that we authorize the Reserve Fund/PPHB investment committee to invest the Reserve Fund/PPHB investment account in accordance with the investment plan outlined by Chuck Unruh. The committee will have the authority to buy and sell investments within the portfolio and can grant the portfolio manager trading authority within the investment plan. **PASSED 6-0** with Randy Bauer absent and not voting.

President Priest then moved that the meeting enter Closed Session with the Open Sessions continuing on the following day when VP Randy Bauer would be able to join them.

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Sunday, November 11, 2018  
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***OPEN SESSION 1***

The following Executive Board members were present:

Allen Priest, President	Randy Bauer, Vice President
Chuck Unruh, VP of Finance	Mike Nietman, Secretary
Mike Hoffpauir, Member-at-Large	Hal Sprechman, Member-at-Large
Ryan Velez, Member-at-Large	Carol Meyer, Executive Director

Executive Board President Allen Priest called the meeting to order and welcomed everyone. Secretary Mike Nietman called the roll. All Executive Board members were present, with Randy Bauer attending by phone, and a quorum was established.

The meeting began with President Priest acknowledging that most open session items were dealt with on Saturday but that there were a few that were carrying over into today. He added that there were contract and personnel issues that would be dealt with in a closed session today.

**Prison Vouchers**

President Priest then referred specifically to the previous day's discussion of the prison vouchers and his stated commitment to create a motion to be voted upon today. He then presented what he had come up with saying that he considered it a draft and acknowledging that it wasn't exactly what was discussed on Saturday.

"Allen Priest moves that US Chess establish a promotional prison group membership program. The memberships will be regular 1 year adult memberships. Any affiliate can purchase group membership vouchers under this program. Unused vouchers will expire 3 years after purchase. The minimum order quantity is 5. The price per voucher is \$12. If purchased in quantities equal to or exceeding 100 in one transaction the price per voucher will be \$10. Vouchers must be redeemed through the office in the same way that individual prison memberships are processed. The definitions applicable to the individual prison membership will all be applicable to this program."

He explained that the change he had made was raising the expiration for the vouchers to 3 years (as compared to the 9-month scholastic vouchers). He said his reasoning was that with prison vouchers the school year period was not a factor. The pricing rationale was to make it affordable without undercutting the current \$9 scholastic voucher with the highest being \$13. He also noted

that there was a need to define what it means to be in a prison or a jail. He then opened it for discussion.

A board member clarified that, according to the proposed motion, when an affiliate bought vouchers, that affiliate had the opportunity to sell them to someone for up to 3 years. However, once that voucher was sold by the affiliate, it would expire within a year.

There was a question about how many prison memberships there were last year as a point of reference for what the financial impact would likely be of the voucher program, while acknowledging that the two were different. President Priest stated the number of prison memberships in the previous year to be 215. Thus, if every one of those were to switch to a voucher instead of a prison membership, the organization would lose \$1,600, which was deemed insignificant. He further stated that if some became members after leaving prison that amount would be recovered. He also reasserted that this was not a membership program but a social outreach program to support the 501(c)3 mission.

Executive Director Meyer brought up that the longer expiration date for prison vouchers over scholastic vouchers could create some tension. President Priest said his aim was to give added flexibility to a social outreach program but that he had no objection to reducing the time to expiration. It was then suggested and agreed to change the final motion to have an expiration of 1 year.

It was established that the affiliate purchasing the vouchers can then distribute them to other affiliates. This was part of the intent of establishing a lower price for purchases over 100.

The motion was amended to include that unused vouchers will expire one year after purchase.

President Priest called the vote.

**EB19-032 – Priest** – I move that US Chess establish a promotional prison group membership program. The memberships will be regular 1-year adult memberships. Any affiliate can purchase group membership vouchers under this program. Unused vouchers will expire one year after purchase. The minimum order quantity is 5. The price per voucher is \$12. If purchased in quantities equal to or exceeding 100 in one transaction the price per voucher will be \$10. Vouchers must be redeemed through the office in the same way that individual prison memberships are processed. The definitions applicable to the individual prison membership will all be applicable to this program. **Passed 7-0**

President Priest asked Executive Director Meyer to contact Eric Vigil to let him know how his ADM had been resolved and also to communicate it to the Chess Trust. She agreed and said that she would contact Mike Nolan as well to create the group purchasing program.

### **Scholastic Vouchers**

There was then a discussion about whether there was or should be some guidelines for those who purchase scholastic vouchers about the ethical distribution of those vouchers. President Priest

gave some background on the program that began informally and was not actively developed until about 6 years ago.

Executive Director Meyer said that she had located a page about it on the website that was out of date and had emailed a staff member that handles the voucher program to ask if that was considered the current go-to document. Her impression was that the program was not well documented or marketed to the affiliates.

President Priest clarified that we need to communicate the intent and purpose of the program and if there isn't a document doing that then it needed to be created and made available. The Executive Director then read the content of the web page for the board's input. "Group membership plans are designed to make US Chess membership more affordable for large groups such as schools and the organizations that work with them."

President Priest said that the real intent of the program was to facilitate school-based programs to be able to incorporate US Chess membership into their program (for example an extracurricular program). The open language allows for it to be used by affiliates working with multiple schools and who thus have potentially large numbers of children who may be interested in tournament play and also to allow it to be used for students who are economically disadvantaged. Thus, it can be used for Title I situations but also in other situations.

A board member brought up that there needs to be specific language stating that it is not a discount program to garner scholastic memberships and that it's to support school clubs and disadvantaged children, stating that he has had to step in on affiliates offering the vouchers to children who were not in either of those two situations.

Ryan Velez then shared how he uses the vouchers, saying that they have a tournament where they give them out but that they don't buy the vouchers until after the event so that they know how many they need and they will buy some extra for anticipated requests from those in disadvantaged areas of the state.

A member then suggested that we should have a set of FAQs about the scholastic voucher program and there was general agreement with that suggestion. President Priest suggested to Executive Director Meyer that she locate the recording from 6 or 7 years ago, in which these issues were discussed at length, to support the development of FAQs. More than one member stated that they have never had parents who complain about one child getting a voucher-based lower cost membership when their child did not.

President Priest then proposed that the rest of the Open agenda items be addressed after the Closed Session. There was general agreement and the board went into Closed session.

## *OPEN SESSION 2*

### **Voting on Closed Session Items**

President Priest mentioned that some personnel issues were discussed during the Closed

session. In addition, there were some committee matters covered during the closed session. The following motions are derived from those Closed session discussions.

President Priest asked Secretary Nietman to read the first motion.

**EB19-033 – Priest** – I move that the Executive Board approves a one-time profit sharing contribution to the US Chess 401K Plan for calendar year 2018 in the amount of 2% of compensation for all eligible employees. **PASSED 7-0**

President Priest emphasized that this is not a match. It is a contribution that applies to anyone eligible to participate in the 401K whether or not they are currently contributing. This is what the board has done for the last couple of years because some staff members may not have many years to contribute to the plan. This allows them to get some benefit from the plan.

President Priest asked Secretary Nietman to read the next motion.

**EB19-034 – Unruh** - I move that the Executive Board approve the revised Dewain Barber, US Chess sponsorship agreement as it pertains to the three invitational events. **PASSED 6-1** with Randy Bauer opposed.

President Priest commented that this motion has somewhat modified language compared to what Dewain Barber presented to the board. Mr. Barber had graciously offered to set up a scholarship fund for the winners of the Junior Closed, the Girls Junior Closed, and the US Cadet. Part of the sponsorship agreement is that US Chess will match the private contribution. This will not be a divisible prize and so tie-breaks will be required to determine who receives the scholarship. The current funding provided by Dewain Barber is \$5,000 for each event winner. With the US Chess match, the result would be a \$10,000 scholarship for the winner of each of those three events.

Randy Bauer commented that he voted against motion EB19-034 because he felt US Chess's match would be better spent providing scholarship funds to second and third place finishers rather than additional funding to the winner.

President Priest and Secretary Nietman will take responsibility for coordinating the establishment of these scholarships with Dewain Barber.

President Priest asked Secretary Nietman to read the next motion.

**EB19-035 – Nietman** - I move to accept the Women's Committee report item #4 dealing with updated rules for the 2019 NGTOC Information and Rules. **PASSED 7-0**

President Priest stated that these largely reflect the prior year's NGTOC rules without major changes.

President Priest asked Secretary Nietman to read the next motion.

**EB19-036 – Velez** - I move to remove Bruce Davis from the Accessibility & Special Circumstances committee. **PASSED 7-0**



President Priest asked Secretary Nietman to read the next motion.

**EB19-037 – Meyer** - I move that the following committee charters be approved as amended:  
**PASSED 7-0**

- a. Accessibility & Special Circumstances
- b. Barber
- c. College Chess
- d. Competition Integrity
- e. Denker
- f. International Affairs
- g. Military
- h. Outreach
- i. PPHB
- j. Scholastic Council/Committee
- k. States & Affiliates
- l. US Chess Development
- m. US Open
- n. Women's Chess

President Priest mentioned that there were some charters that the board will be sending back to their committees for further work so that they better reflect what the Executive Board sees as the mission of those committees. Committee charters must also align with the strategic goals of US Chess. A number of other committees have not prepared charters yet and the liaisons of those committees will be working with them to help move the process forward with the goal of having them by the January meeting.

President Priest asked Secretary Nietman to read the next motion.

**EB19-038 – Board** - The Executive Board moves that the Prison Chess Committee be disbanded. **PASSED 7-0**

President Priest added that the board did adopt a prison promotional group membership voucher program earlier in the meeting that will be distributed to various affiliates. This motion is not to be misconstrued as lessening the importance US Chess's mission to reach out to incarcerated people and giving them the benefits of chess as a way for rehabilitation. However, it's a recognition that we don't have a viable committee in that area. The disbanded committee did not have a chair and the aspect of outreach was incorporated into the voucher program.

President Priest asked Secretary Nietman to read the next motion.

**EB19-039 – Priest** – I move that the Executive Board adopt the revisions to the Forum Acceptable Use Guidelines (AUG) proposed by the Executive Director. The effective date of the new AUG is November 11, 2018. The revised AUG document is attached and the Executive Director will see that the new AUG replaces the prior document on the US Chess website forums. **PASSED 7-0**

President Priest noted that the date of the motion makes it effective immediately. He stated that many of the changes are simply editorial. An example of a language change in the new Acceptable Usage Guidelines (AUG) is from the previous version's "in the spirit of benefitting chess" to the new version's "will benefit chess." In addition, the new AUG no longer has the footnote which says that the standards may be relaxed during election season. Since we are in a situation where we are having an election every single year, we are constantly in an election season. These modifications to the AUG are part of a desire to change the tone and tenor of posting in the forums. Thus, accompanying the changes, is an understanding that the Executive Director is going to be working with the moderators and that users of the forum are likely to see a tightening of moderation standards. That tightening of the moderation in the forums has the full support of the Executive Board.

### **Invitational Requirements**

President Priest mentioned that during the closed meeting there was a discussion of changes to invitational list requirements. These changes would mainly be effective for 2020. Substantive changes are not anticipated. He expressed a need to make the lists of invitational requirements more consistent (such as residency requirements), specifically with the presentation of the requirements for the Senior Team and for the Under 16 Olympiad. The Executive Board's goal is to have these requirements in a form that can be voted on by the January meeting, but again, anything of substance will not apply until the 2020 season.

### **Strategic Plan**

The board reviewed strategic goals and objectives with the intention of going into them in depth in the January meeting. President Priest asked former president and current Director Mike Hoffpauir to give some recent background on the review process that started at the beginning of 2018.

Director Hoffpauir started by establishing that the assessment of the strategic goals and objectives was based on the current ones. For example, at the Orlando meeting they looked at the current objectives and merged some of them. From there, they compared what they had with the five current organizational goals, those being: to grow the game, inform and engage the chess community, improve US Chess operations, expand our partnerships, and increase opportunities for underrepresented groups. This process involved voting on each objective regarding the degree to which it addressed each one of the goals. The results of this were compiled into a pair of tables that mapped objectives to goals and prioritized objectives against goals. This helped to pinpoint which actions needed to be pursued to improve outcomes for a particular goal. He stated that it is now time to look to committees to develop specific initiatives. To facilitate this, it is important to map the committees to the goals and objectives so that they understand where they can contribute.

President Priest said that part of the process of assessing goals and objectives is to assess whether they are relevant to where the organization is at now. The goals and objectives are then used as a

yardstick for judging the appropriateness of proposed programs for US Chess as an organization. Some worthwhile programs may not fit our organizational goals and objectives. We may be able to enable another organization or individual to taken on some of those programs or we may be able to accomplish them through a partnership. The goals and objectives are intended to maintain focus on US Chess's role in the chess community but not to inhibit solutions or limit our impact. In January, the intention is to give the goals and objectives close scrutiny with the intention of giving committees more guidance, based on their charters, as to where they fit in relation to the goals and objectives and where they may need to make adjustments.

In January, the board will also be looking at the current budget and the proposed budget from the office. The intention is to look at a 2-year budget cycle and to examine whether money is being channeled in alignment with the goals and objectives.

Director Hoffpauir suggested that the liaisons for each of the committees should give some thought before the next meeting to how their committees intersect with the goals and objectives as a way of preparing for the January meeting to expedite the discussion.

Executive Director Meyer requested that the board also review the organization's mission and vision statements, whether in January or at a future meeting. Others asserted that it if this were to be done then it did need to be done as soon as possible because it could affect the goals and objectives. Executive Director Meyer clarified to say that her suggestions would be toward making the mission and vision statement more in line with current goals and objectives. She was asked by President Priest to share some of her ideas before the January meeting.

Vice President Bauer brought up that just as the committees need to be able to see their purpose within the goals and objectives, so does the staff. He also brought up customers and processes as aspects of an organization that need to be aligned with the goals and objectives.

Director Hoffpauir brought up the idea of having standing items in the agenda that review how the organization is implementing its goals and objectives.

President Priest expressed his perception that one historical problem with the US Chess Executive Board is that its focus has been in the wrong place, leaning too much toward management while the purpose of a board should be policy and direction. While addressing some management issues is probably inevitable, a board should be careful not to allow that to be the focus if its meetings. He stated that one of the goals for fostering the evolution of the organization is to professionalize how the board operates, which involves, in part, minimizing its involvement with management issues. He further stated that the solution to the board talking on too many management issues is to hire competent management (adding that his comments were not directed at current management). He acknowledges that this is part of a cultural shift within the organization.

President Priest asked VP Bauer and Director Hoffpauir to lead the strategic planning discussion in January because their professional expertise is in that area. He asked that they also include Executive Director Meyer in preparatory discussions.

Director Hoffpauir asked President Priest to share the outcome he is looking for at the end of the January meeting regarding strategic planning. President Priest enumerated the following outcomes: to determine if we need to make changes to the mission, the vision, the goals and/or the objectives; to come up with a review process to be incorporated into the normal way that we do business to ensure we stay in alignment with our goals and objectives; to figure out how to drive the strategic planning components down into the committee work, including the method that committee liaisons will use to charge their committees to incorporate them; and lastly to look at how the existing committee structure matches the goals and objectives. He added that he wants to focus the budget discussion in the same way. Because of that, the strategic planning needs to be the subject of Friday's meeting with the budget discussion on Saturday because that discussion will revolve around how the budget supports the goals and objectives.

Director Hoffpauir suggested a pre-meeting call with the board as a whole to be sure everyone is informed and has a common frame of understanding before the January meeting so that the Friday meeting is more about finalizing than about raising new issues.

Executive Director Meyer offered to do the work of finding a time when the most members of the board could meet.

### **Honoring Our Veterans**

President Priest then took time to call attention to the fact that the meeting was being held on a day, Veteran's Day, dedicated to honoring those who have committed a portion of their lives, in some cases a major portion, in service to our country. He thanked the Executive Board members who dedicated part of their lives in military service to our country. To our members who served in the military, he stated something he first heard in the Reserves, which is that such people are "twice the citizen" for having put life and limb on the line to protect the uniqueness of our country.

### **Fabiano Caruana's Bid for the World Championship**

President Priest also mentioned that during the meeting a US Chess member, Fabiano Caruana, was competing for the World Chess Championship. He extended the thoughts and support of US Chess to Fabiano and expressed hopes that he would be successful in his quest for the championship. US Chess had representation at the opening ceremony and President Priest was scheduled to attend the closing ceremony.

President Priest thanked the Events staff, the Communications staff and the Executive Director for their efforts leading up to the World Championship challenge. These activities made many of our members feel like they were a part of Fabiano's bid for the championship. He wished Fabiano luck.

President Priest added that it was up to US Chess to seize what benefit it could from this exciting event to see that the positive effects carry through over the long term. He acknowledged that some of those opportunities would not be there without the help and support of our friends at the

Chess Club and Scholastic Center of St. Louis and the Sinquefeld family. He also expressed gratitude for the efforts of the Kasparov Chess Foundation and its team in supporting the development of our junior players.

### **The Next Meeting**

President Priest announced that the next meeting will be held on the second weekend in January in Orlando, Florida, at the Rosen Center Hotel, which will be the location of the US Open Event in August of 2019.

### **Adjournment**

President Priest made the motion to adjourn.