

**US Chess
Executive Board Meeting
June 1 & 2, 2019
Augusta, Missouri**

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
Saturday, June 1***

Executive Board members present:
Allen Priest, President
Chuck Unruh, VP of Finance
Hal Sprechman, Member-at-Large
Carol Meyer, Executive Director

Randy Bauer, Vice President
Mike Nietman, Secretary
Ryan Velez, Member-at-Large

Member-at-Large Mike Hoffpauir was unable to attend due to work commitments.

Executive Board President Allen Priest called the meeting to order and welcomed everyone. Secretary Mike Nietman called the roll. A quorum was established.

PRESIDENT

FIDE Confederation of Chess for Americas

The next meeting is the last week of September in Rio de Janeiro. President Priest stressed that US Chess should consider sending our Delegate, the US Chess President, Zonal President and Executive Director.

President Priest expressed that travel to FIDE meetings should be considered an obligation of the role of president within US Chess. These relationships are critical to our players at all levels of international play.

Audits

The US Chess annual audit has been contracted.

VICE PRESIDENT OF FINANCE

(See appendices for financial charts and tables)

Budget Variances

- US Chess is running a surplus.
- The majority of the surplus is money set aside for the US Chess IT upgrade.
- The second largest contributors to the surplus are Membership and Miscellaneous (Donations and Grants)
- The largest negative budget variance is a result of inaccurate budgeting in tournament revenue and expenses.
- Operations are running at a surplus.

It was noted that group memberships may require price adjustments in the future in relation to individual memberships.

VP of Finance Unruh ended the budget update by reiterating the importance of having preserved the money set aside for the IT upgrade. The board is accomplishing its goal of creating a capital budget.

Investments

- VP Bauer and Director Velez have been added to the Reserve account.
- PPHB & Reserve Fund started has earned capital gains since the first of the year.
- PPHB & Reserve Fund is invested 45% in CDs and CD ladders.
- LMA is invested to bring in over 6%.

EXECUTIVE DIRECTOR'S REPORT

IT Infrastructure Upgrade

The RFP closed May 1st with nine proposals received. The review team will rank the proposals independently based on a set of criteria and then will come together to compare and identify a 'short list' of candidates.

Women's Grants

As of May 15th deadline, forty proposals were received from more than 20 states. The total money requested considerably exceeded available grant funds. Some very solid proposals were received and the selection team expected to be making the decisions in the coming week.

International Education Programs

A team led by Sophia Rohde, a member of the Education Commission with the FIDE Confederation of Chess for Americas, is working to facilitate exchanges between schools in the United States and schools in other countries of the Americas.

Partnering for Chess Sets in Schools

US Chess is partnering with US Chess Sales to provide chess sets to Title I schools in the next academic year. US Chess will be handling the review of schools that apply.

President Priest mentioned that the Chess Trust also has a program that provides chess sets to schools but their program's focus is broader.

FIDE VISAs for International Players

The US State Department has been contacted and provided worthwhile guidance on how to navigate visa issues for international players.

Staff

Director Meyer reported that staff is stable. John Hartmann just passed his 90-day initial hire probationary period with flying colors.

COMMITTEE LIAISON REPORTS

Scholastic Regulations

Secretary Nietman reported that the Scholastic Committee has been having monthly conference calls on which he has been included. Discussions covered a variety of topics from section sizes to alternatives to traditional trophies.

OPEN SESSION 2

Saturday, June 1

OLD BUSINESS

Device Review Policy

The board discussed a new document created with the input and approval of the Rules Committee titled "US Chess Federation Rules of Chess and Functional Device Review." It is a checklist intended to be used when reviewing electronic devices and is considered an intermediate step in developing a more structured review process. It was noted that the checklist is lacking guidelines for a scoring mechanism. It was proposed that the checklist be adopted as of August 1st with anything currently pending under review continuing under the previous system.

There was a discussion of the problems of evaluating whether a given device is secure from tampering. Because the need to hire an outside firm, this sort of evaluation is considered cost prohibitive for both US Chess and manufacturers.

EB19-076 – Board – The Executive Board moves to accept the US Chess Federation Rules of Chess and Functional Device Review to be effective August 1, 2019. **Passes 5-1 with Randy Bauer opposed and Mike Hoffpauir absent and not voting.**

Safe Play Guidelines and Spectator Code of Conduct

Although the board had approved Safe Play Guidelines, finding a model for training is an ongoing issue. The Board agreed that training is an important component, along with regular review/testing. The pursuit for an appropriate training program will continue.

It was noted that the response guidelines need further development both in terms of prescribed responses to incidents, staff training, and regarding dissemination into such processes as TD Certification.

The need for more delimiting language (for example “such as”) among examples was brought up because the current language appears to be limiting what is considered abuse rather than posing what is presented as examples rather than hard definitions.

It was determined that the guidelines would undergo the revisions discussed and that it would be presented to the board again at a later date. However, there was general agreement about moving forward with a soft roll out, which allows for additional input for refining it.

EVENTS REPORT

Assessing the Progress of New Components to Tournaments

US Chess has been integrating additional mission-driven components into its tournaments, including the Girls’ Club, the Hospitality Lounge, and Livestreaming, all of which have met with encouraging success.

Sponsorship Prospectuses for Events

A sponsorship prospectus has been put together by the Communications team for the International Youth. There is a need to develop prospectuses for other events as well. Materials have also been created for the Hospitality Suite and Chess Control that get out the message that US Chess is more than an organization that holds big tournaments.

Future Supernationals Venue Logistics

The Board considered the logistical problems with finding venues for Supernationals beyond 2025.

Impact of Invitationals

President Priest drew attention to the problem of adding invitationals without considering the additional costs to various parties, sponsorships and workload that is associated with them.

Specifically, Director of Events Boyd Reed had noted that with the addition of the National Senior, the invitationals now require two tournament directors. It was further noted that people who come to the invitationals don't necessarily also play in the US Open. In fact, some people choose to play in an invitational instead of the Open.

Bringing Tournaments Back In-house

US Chess is bringing the US Junior Open and US Senior Open back in-house rather than contracting them out. In addition, US Chess will add some features to those tournaments intended to broaden the appeal of chess, giving the tournaments a more festive atmosphere and non-traditional side events.

Reassessing the US Open

President Priest turned the meeting to an assessment of the US Open, beginning by acknowledging the tournament's steady decline in attendance. The big picture issue is that neither the US Open nor the invitationals make money. In addition, the length of the event creates problems with finding venues.

International Events

Because there is a very small pool of people who are able to serve as heads of delegations at international events due to qualifications required by FIDE, broadening that pool needs to continue to be a focus.

The Board considered how to cover the costs of reducing the player to coach ratio. Secretary Nietman provided some background saying that initially the ratio was 10:1. That was then reduced to 6:1. However, there was a corresponding increase in entry fees to support that.

The ratio is now being moved to 5:1. Every coach sent costs US Chess approximately \$6,000. Methods for offsetting those costs were discussed.

To improve the efficiency of player-coach interactions, it was suggested that coaches be matched with players before the event so that the coach could review their players' games before the event.

AWARDS

On Friday evening, May 31, the Executive Board held a closed session to consider awards and decided on the following award recipients for 2019.

EB19-077 – Board – The Executive Board names the following 2019 award winners:

- a. Distinguished Service Award – Francisco Guadalupe (TX), Dr. Mark Glickman (MA)
- b. Outstanding Career Achievement Award – Stephen Schneider (GA), Fred Wilson (NY), Richard Koepcke (NCA)

- c. Meritorious Services Award – Dr. Clyde Smith (SC), Dr. Jeanne Sinquefield (MO)
- d. Special Services Award – Peter Dyson (FL), Sam and Miller Copeland (SC), Robert Simpson (NY)
- e. Tournament Director Lifetime Achievement Award – Steve Immitt (NY)
- f. Accessibility and Special Circumstances Person of the Year – Alex Relyea (NH)
- g. Chess City of the Year – Philadelphia, PA
- h. Chess Club of the Year – The Charlotte Chess Center (NC)
- i. Chess College of the Year – University of Texas – Rio Grande Valley
- j. Committee of the Year – Ethics Committee
- k. Frank J. Marshall Award – GM Melikset Khachiyan (CA)
- l. Grandmaster of the Year – GM Hikaru Nakamura (NY), GM Sam Shankland (NCA)
- m. Honorary Chess Mate – Carolyn Weeramantry (NY)
- n. Koltanowski Awards
 - i. Gold – The St. Louis Chess Club (MO), Two Sigma
 - ii. Silver – Dewain and Susan Barber (SCA), Richard and Barbara Schiffrin (PA), David and Maureen Grimaud (SC)
- o. Organizer of the Year – Jon Haskel (FL)
- p. Outstanding Team Performance Award – 2018 Olympiad Team, 2018 World Senior Team
- q. Scholastic Service Award
 - i. Individual – Jon Haskel (FL), Russell Harwood (TX)
- r. Outstanding Player Achievement Award – GM Alex Onischuk (TX)
- s. Tournament Director of the Year – David Hater (GA)
- t. Woman Chessplayer of the Year Award – Jennifer Yu (VA)

Passed 6-0 with Mike Hoffpauir absent and not voting.

OPEN SESSION 3

Sunday, June 2

President Priest began by affirming that all of the members from the previous day's sessions were still in attendance and that Director Mike Hoffpauir was still prevented from participation by work obligations. He then asked Secretary Nietman to read several motions that originated in closed sessions into the record to be voted on in turn.

EB19-078 – Board – The Executive Board moves to rename the National Girls Tournament of Champions the Ruth Haring National Girls Tournament of Champions. **Passed 6-0** with Mike Hoffpauir absent and not voting.

President Priest noted that the effective date of that permanent name change will be 2019.

EB19-079 – Board – The Executive Board moves to approve the resolution (attached) codifying the terms of agreement between the Kasparov Chess Foundation and US Chess for the annual All Girls National tournament. **Passed 6-0** with Mike Hoffpauir absent and not voting.

EB19-080 – Unruh – Chuck Unruh moves to accept the 2019-2020 budget as presented. The budget must be presented to the delegates for approval. **Passed 6-0** with Mike Hoffpauir absent and not voting.

President Priest added that the budget has a bottom line surplus. It does not include a capital budget but the board's intention is to develop a capital budget that will also be presented to the delegates.

EB19-081 – Board – The Executive Board recommends David Hater for a seat on the FIDE Ethics Commission and directs our President and FIDE Delegate to promote that candidacy. **Passed 6-0** with Mike Hoffpauir absent and not voting.

This motion acknowledges that US Chess will be advocating for David Hater to fill the role that is open as a result of the passing of Ruth Haring. A FIDE general assembly is expected in the fall of 2019 at which there will be a vote to fill the vacancy for the remainder of the term. David Hater has extensive experience with ethics cases in the military and taught ethics at the US Military Academy as a professor. He also has been active in the US Chess Ethics Committee.

EB19-082 – Board – The Executive Board moves to submit the following ADM:

To replace Article IV Section 6 of the bylaws regarding the electronic voting process to read If US Chess implements an electronic voting system, voting members may request a paper ballot by writing to the US Chess office prior to May 1st for a regular election or the equivalent cutoff date for a special election.

Rationale: Current language references members who receive Chess Life by mail. However, paper ballots have not been bound into Chess Life for some time. Further, the current language seems to create a default of mailing paper ballots. If we have an electronic voting system the default ought to be to use the electronic voting system.

PASSED 6-0 with Mike Hoffpauir absent and not voting.

President Priest concluded the meeting by stating that the next Executive Board meeting will be held Thursday August 8th in conjunction with the US Open and Delegates meeting in Orlando, Florida. That meeting schedule will be part of the *Delegates Call*.

President Priest moved to adjourn the meeting with all in favor.

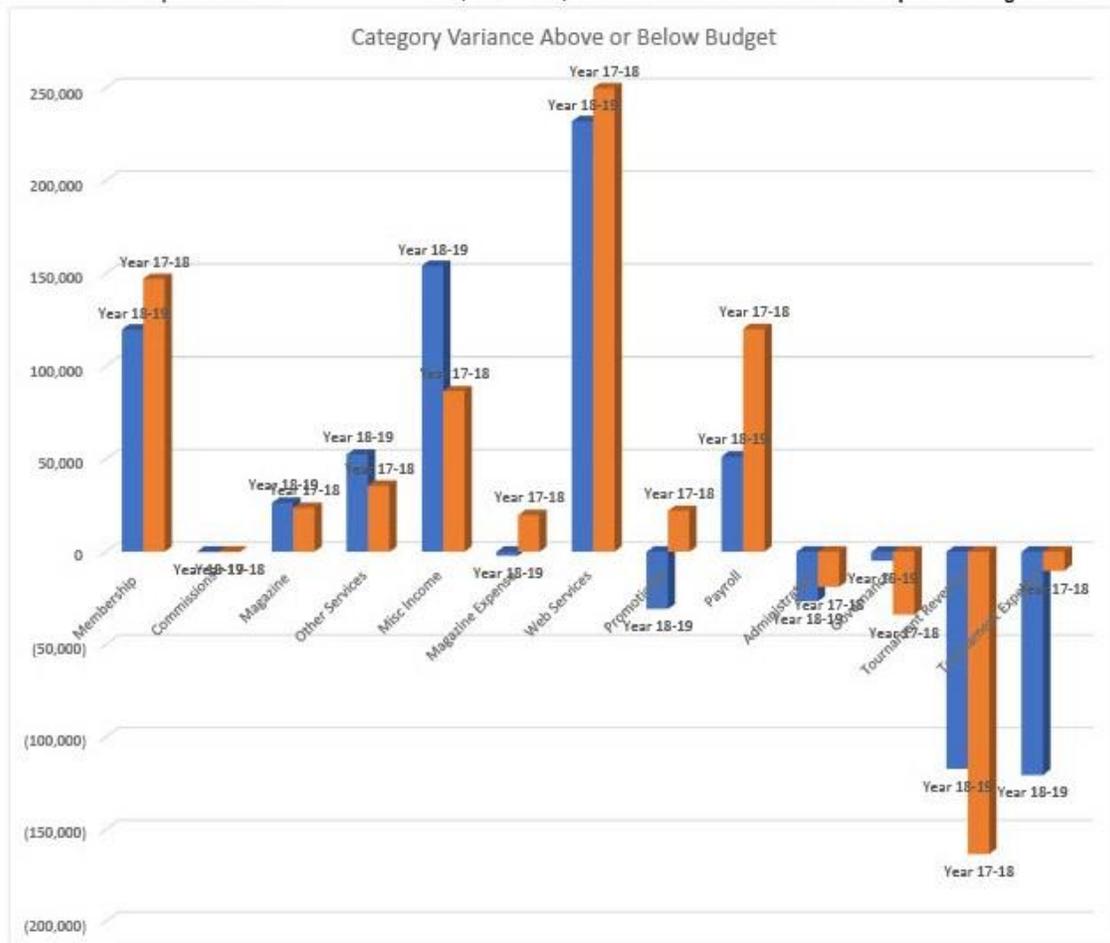
Budget Variance Chart

*(Items on the upper part of the chart indicate being over budget.
Those on the lower part are under budget)*

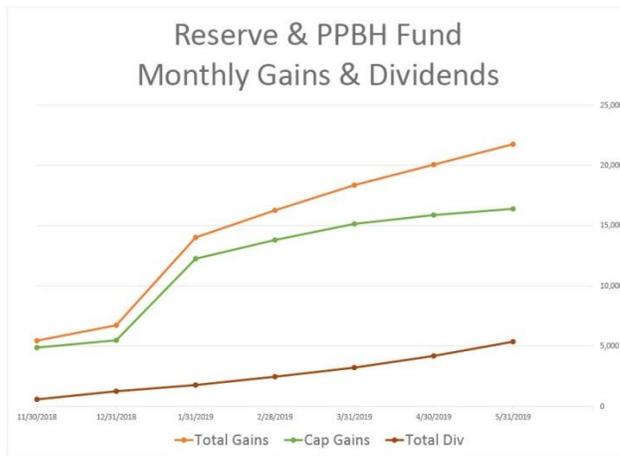
US Chess Actual to Budget Analysis

MAY 2019 - PROJECTED RESULTS

Categories/Accounts	Variance from Budget		Notes to Year 2018-19 Significant Accounts Above or Below Budget
	Year 18-19	Year 17-18	
Membership	119,820	147,195	Regular, Senior, Misc Regular
Commissions	(218)	(218)	
Magazine	26,345	23,546	Subscriptions
Other Services	52,444	35,626	Mailing Lists
Misc Income	154,171	86,534	Donations, Investments, Scholarships
Magazine Expense	(2,044)	19,733	
Web Services	232,080	250,000	
Promotional	(30,864)	22,122	
Payroll	51,314	120,124	Fringe Benefits, Publications
Administration	(26,651)	(18,871)	IT Operational Costs, Credit Cards, Airfare Publications
Governance	(4,887)	(33,858)	Executive Board Expenses
Tournament Revenue	(116,973)	(163,318)	Entry Fees, FIDE Player Payments
Tournament Expense	(120,330)	(10,066)	USCF Tournament Expenses
Total Variance - compared to P&L	334,207	478,549	Positive Total is overall Actual compared to Budgeted P&L

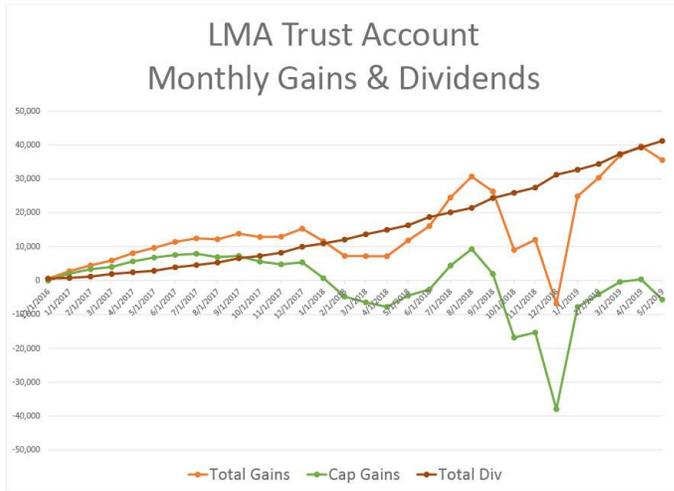


PPHB & Reserve Fund



Reserve & PP&BH Funds				3-Jun-2019				
Average Capital at Work		297,514		Capital Gains		16,390		
Total Dividends Paid		5,366		Total Div & Cap G		21,756		
Dividend Total Return on Ave Invested Funds		1.80%		ROI Capital in Mkt		7.31%		
Date	Total	Total Gains	Cost Ave Invested	Total Inv	Dividends	Total Div	Cap Gains	Acct ROI
11/30/2018	1,205,450	5,450	0	0	575	575	4,876	1.09%
12/31/2018	1,206,728	6,728	251,191	251,191	671	1,246	5,482	1.34%
1/31/2019	1,214,016	14,016		251,191	522	1,767	12,249	2.80%
2/28/2019	1,216,270	16,270	60,000	311,191	693	2,461	13,809	3.25%
3/31/2019	1,218,356	18,356		311,191	751	3,212	15,145	3.66%
4/30/2019	1,220,060	20,060	167,726	478,917	969	4,181	15,879	4.00%
5/31/2019	1,221,756	21,756		478,917	1,185	5,366	16,390	4.34%

LMA



LMA Trust Account				3-Jun-2019
Average Capital at Work		262,872	Capital Gains	-5,654
Total Dividends Paid		41,185	Total Div & Cap G	35,531
Dividend Total Return on Ave Invested Funds		15.67%	ROI Capital in Mkt	13.52%

Date	Total	Total Gains	Cost Ave		Dividends & Interest			Acct ROI
			Invested	Total Inv	Dividends	Total Div	Cap Gains	
12/31/2016	501,526	526	54,426	54,426	551	551	-25	0.10%
1/31/2017	503,744	2,744		54,426	188	739	2,005	0.55%
2/28/2017	505,435	4,435	55,148	109,574	392	1,131	3,304	0.89%
3/31/2017	506,901	5,901		109,574	778	1,908	3,992	1.18%
4/30/2017	509,031	8,031		109,574	486	2,394	5,638	1.60%
5/31/2017	510,616	9,616		109,574	481	2,874	6,742	1.92%
6/30/2017	512,385	11,385		109,574	990	3,865	7,520	2.27%
7/31/2017	513,441	12,441	51,538	161,112	692	4,556	7,884	2.48%
8/31/2017	513,145	12,145		161,112	712	5,268	6,876	2.42%
9/30/2017	514,792	13,792		161,112	1,268	6,536	7,257	2.75%
10/31/2017	513,815	12,815	51,009	212,120	712	7,248	5,567	2.56%
11/30/2017	513,915	12,915		212,120	922	8,170	4,745	2.58%
12/31/2017	516,283	15,283	51,615	263,735	1,756	9,926	5,357	3.05%
1/31/2018	512,603	11,603		263,735	1,005	10,932	671	2.32%
2/28/2018	508,249	7,249		263,735	1,105	12,037	-4,788	1.45%
3/31/2018	508,164	7,164	44,710	308,445	1,590	13,627	-6,463	1.43%
4/30/2018	508,145	7,145		308,445	1,299	14,926	-7,781	1.43%
5/31/2018	512,795	11,795		308,445	1,344	16,270	-4,476	2.35%
6/30/2018	517,050	16,050		308,445	2,423	18,694	-2,644	3.20%
7/31/2018	525,478	24,478		308,445	1,367	20,061	4,417	4.89%
8/31/2018	531,671	30,671	49,890	358,335	1,345	21,406	9,266	6.12%
9/30/2018	527,282	26,282		358,335	2,912	24,317	1,964	5.25%
10/31/2018	509,993	8,993		358,335	1,533	25,850	-16,857	1.80%
11/30/2018	513,020	12,020		358,335	1,533	27,383	-15,363	2.40%
12/31/2018	494,177	-6,823	45,001	403,336	3,787	31,170	-37,993	-1.36%
1/31/2019	525,833	24,833		403,336	1,479	32,649	-7,816	4.96%
2/28/2019	531,310	30,310		403,336	1,726	34,375	-4,065	6.05%
3/31/2019	550,609	36,892	45,024	448,360	2,949	37,324	-431	7.36%
4/30/2019	553,306	39,589		448,360	1,928	39,251	338	7.90%
5/31/2019	549,248	35,531		448,360	1,933	41,185	-5,654	7.09%