

**US Chess  
Executive Board Meeting  
March 30-31, 2019  
Nashville, TN**

*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, March 30***

Executive Board members present:

Allen Priest, President  
Chuck Unruh, VP of Finance  
Mike Hoffpauir, Member-at-Large  
Ryan Velez, Member-at-Large

Randy Bauer, Vice President  
Mike Nietman, Secretary  
Hal Sprechman, Member-at-Large  
Carol Meyer, Executive Director

Staff Members Present:

Dan Lucas, Director of Strategic Communication

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

The president began by explaining that the board had visited the Crossville facility and had a meeting with US Chess staff both in person and those who called in remotely. The group discussed the revised mission, vision and goals of US Chess. In addition, during a closed conference room session while in Crossville, the Executive Board (excluding Randy Bauer who was not able to attend) heard an appeal to an Ethics Committee ruling. President Priest acknowledged the important contribution of Franc Guadalupe as translator for the person making the appeal. It was noted that Mr. Guadalupe had no knowledge of the ethics case so that he would not have any bias and acted solely as a translator. President Priest noted that to preserve the integrity of the game and rating system, the board takes these cases very seriously. Privacy issues result in these cases not being made public.

**EB19-065** – Board – The Executive Board moves to affirm the Ethics Committee’s ruling in the case of Goichberg vs. Diaz and permanently revokes Mr. Alain Diaz’s (ID#: 13244888) US Chess membership. **PASSED 6-0-1** with Randy Bauer unable to attend during the hearing and abstaining.

## **EXECUTIVE DIRECTOR REPORT**

### **The Donation for Women's Chess from the St. Louis Chess Club & Scholastic Center**

This donor had specific targets for the funds. 50-60% will go to US Chess nonprofit affiliates who want to provide programming specifically to women and girls. Parameters for qualifying programs are in place and three proposals were submitted within the first 24 hours of the initial announcement of the first application period. A second application period is planned if there are still funds available after the first round. The focus of the second round will be on programs during the academic year. A 3-person internal review committee will determine which programs receive the funding. Effort was made to make the qualifying parameters clear and available on the website for those who wanted to apply. The funding from the St. Louis Chess Club will also go toward branding girls/women in chess activities.

Supporting women in chess also resulted in an anonymous donation of \$10,000. That money will be used differently than the funds from the St. Louis Chess Club's donation, such as for developing regional events for women and girls.

### **At-Risk Youth**

A partnership with an international organization is under consideration for a pilot program in Knoxville, TN. This pilot would involve middle school children who attend Title I schools. It was noted that this partnership is an example of interfacing with people who know of a need that US Chess can help fulfill by providing resources and tools rather than developing a separate program ourselves.

### **Sets for Title I Schools**

We are working with US Chess Sales on a program to donate chess sets to Title 1 schools, the goal being to donate 1000 sets during the first year. US Chess will be setting up criteria for the schools and screening them. The hope is that the program will expand as funding is available. It was noted that the Chess Trust has a similar program but theirs is not restricted to Title I public schools.

### **College Recruitment at Tournaments**

Executive Director Meyer shared her fact-finding regarding college admissions processes and how they can or can't mesh with our tournaments, as well as her continued thinking about how to incorporate the sharing of knowledge about this next step in education into our scholastic tournament programming.

### **Staff Updates**

John Hartmann was hired as CLO Digital Editor. While Jen Shahade is still contributing to communications, her role has shifted primarily to managing the women's programs.

### **Tech Infrastructure**

The Request for Proposal was made public on February 20<sup>th</sup> with a deadline of the end of May and an expectation that a vendor will be chosen approximately a month after that. There has been interest and conversations are under way with some of the prospective vendors. An FAQ document will be created for vendors. The potential of a long-term business relationship seems

to appeal to some vendors. US Chess internal cost projections seem to be in the correct ballpark and no surprises in that regard are expected. Positive comments have been garnered from outside agencies about the quality of the RFP itself and the board wanted to thank Boyd Reed for his contribution to it.

### **Crossville Servers Not in Use**

Because most of the server hardware in Crossville is no longer in use due to our increasing use of cloud services, ED Meyer expressed an interest in putting that equipment on the market.

### **Development Program**

A Gift Acceptance Policy has been drafted for the board to approve. US Chess is launching efforts into corporate sponsorship. A planned giving brochure is now in the hands of the communications team. The case statement for giving is still in process. The Development Committee met and are planning to have a hospitality suite in Nashville for the Elementary Nationals.

### **Communications**

After the last EB meeting, the Communications staff stayed to discuss changes and implementation. ED Meyer wanted to commend Director of Strategic Communications Dan Lucas and his team for improving both the quality and quantity of communications. Press releases are being picked up by media outlets and result in media coverage of local players. In addition, Communications has developed, with the help of EB Director Velez, a PDF booklet designed to help people navigate their first tournament.

### **Governance**

ED Meyer and Governance Coordinator Jennifer Pearson are working together to communicate with state chapter affiliates on a bimonthly basis through an email newsletter. In addition, GC Pearson and Joan Dubois created a center on the website for state affiliates to find information relevant specifically to them. We also introduced a state affiliate benefit of a free email blast per year.

## **VICE PRESIDENT OF FINANCE REPORT**

### **Balance Sheet**

Our liquidity is over two million in part because the planned expense of an IT upgrade has not yet come to bear. We're over \$200,000 ahead of budget. Although the Life Membership service is a financial liability, we otherwise have no real or external liabilities and no open lines of credit. We are at 4% organic growth per year. Growth in adult memberships was particularly notable since that membership sector has largely been in decline since 1996. President Priest noted that some of the increase was not new memberships but the continuing impact of the last dues increase.

### **Expenses**

Expenses have been a little higher, partly due to new rules that bear a cost.

### **Dewain Barber's Scholarship Contributions**

President Priest noted that Dewain Barber's donated scholarship money is kept in a separate bank account so that it is used only for the purpose for which it was intended. In addition, we now have a scholarship donation button on our website.

### **LMA**

VP of Finance Unruh presented multiple documents to the board tracking fluctuations in total gains, capital gains and dividends over a twenty-six-month period. A recent history of the LMA strategies was provided as a way to put the current strategy in perspective. It was also distinguished from the Reserve Fund and its strategy. It was determined that the current LMA strategy would cover the cost of servicing life members assuming that the life member program does not change in any substantial way.

### **Reserve Fund**

Because the Reserve Fund is essentially the US Chess savings account, it remains largely in cash but market timing of the invested portion resulted in gains. The current strategy involves laddering into CDs. The primary goal with the Reserve Fund is to preserve the value of the money in the face of inflation.

## **OLD BUSINESS – REFERRED MOTIONS**

### **Transgender Policy**

The newly revised policy has been posted on the website.

### **Spectator Code of Conduct/Safe Play Policy**

USTA granted permission to use their safe play guidelines as a template with adjustments appropriate to US Chess. However, a training and certification process needs more exploration.

### **Connecticut Task Force**

The committee feels that the situation has resolved itself and understands that it is responsible for continuing to monitor the situation until the committee makes a final report to the delegates.

### **Endowment Fund**

President Priest explained the nature of an endowment fund and proposed the creation of one in which the principal is not spent from it, only the income. In addition, the income would not be spent until it reached a set size. The seed money for the endowment fund would come from the contributions of Benefactor Members and would grow not only from its earnings but also from monies added to it from new contributions specifically intended as endowments.

### **Device Review Policy**

A critical consideration has been adding a section that addresses how a device introduces the possibility of new vulnerabilities into tournament play. It was explained that an outside company with professional expertise in assessing such vulnerabilities will be paid by the manufacturer of

the device to have the assessment done. The first part of the policy has been through the Rules Committee but it was requested that it go through their review one more time before implementation. There were concerns from committee members about openness leading to potential manipulation to get a device through the approval process. It was suggested that the parameters of certification be made public but not the actual people doing the review. In addition, it was mentioned that there is a need to distinguish between levels of modification of existing devices to determine which ones do or don't need to go through the review process anew.

### **Online Complaint Submission Form**

ED Meyer requested that EB liaisons of sanctioning committees provide the chairs of the committees with a copy of the form for their input.

### **JTP for Homeschoolers**

Language was added per suggestions by the board at the last meeting and as a result of input from Scholastic Committee Chair Sunil Weeramantry.

After some discussion of language for the endowment motions, the meeting was adjourned for lunch with the afternoon session being a closed meeting.

## ***OPEN SESSION 2***

*Sunday, March 31*

President Priest opened by affirming the usefulness of the strategy discussions during the closed session. He thanked Dan Lucas, Senior Director of Strategic Communications for his involvement. He added that discussions regarding communications strategies will be ongoing.

## **VOTING ON MOTIONS FROM THE PREVIOUS DAY'S DISCUSSIONS**

**EB19-066 – Velez** – I move to accept the JTP Program Language draft document.

**PASSED 7-0**

**EB19-067 – Priest** – I move that the US Chess Executive Board creates the US Chess Endowment Fund (the Fund). The Fund's purpose is to be a vehicle for the long-term management of gifts, donations and other funds that either have donor restrictions or board-imposed restrictions that limit the ability of US Chess to spend the principal of the funds. The Fund may accept gifts subject to the general gift acceptance policy of US Chess. Donor restricted gifts may have restrictions that do allow for the invasion of principal of that gift for the stated purpose of the gift, but the intention is that the gift provides for benefits over multiple years. The Fund will be managed initially with the internal committee that is managing the US Chess Reserve Fund. Management of the Fund will have a longer-term focus than the Reserve Fund. The Fund will be established with a separate investment account at TD Ameritrade.

**PASSED 7-0**

**EB19-068 – Priest** – I move that the US Chess Endowment Fund (the Fund) will be initially funded by the transfer of an amount equal to the benefactor portion of all benefactor membership paid to date. The estimate of this is 44 members at \$1,500 or \$66,000. The Executive Board directs that the benefactor portion of future benefactor memberships be added to the Fund. The Fund will accumulate money until it reaches a minimum of \$100,000 before any earnings will be spent from the Fund. The exception will be if the Fund accepts a gift that requires the expenditure of earnings for a specific program upon receipt. **PASSED 7-0**

## **VOTING ON CLOSED SESSIONS MOTIONS**

President Priest outlined the basic criteria of the Gift Acceptance Policy and indicated that it would be posted online.

**EB19-069** – Board – The Executive Board moves to accept the US Chess Gift Acceptance Policy as presented. **PASSED 7-0**

Prior to the next motion, President Priest noted that the chair of the Communications Committee was hired by US Chess and the rest of the small committee had not been providing input to the board. He also noted that the board itself will be more involved in communications discussions and that there will still be a Communications workshop at the US Open at which the general membership is welcome to provide input.

**EB19-070** – Board – The Executive Board moves to eliminate the Communications Committee. **PASSED 7-0**

**EB19-071** – Board – The Executive Board moves to eliminate the Hall of Fame Committee. **PASSED 7-0**

## **PLANS FOR THE NEXT MEETING**

The next meeting will be on June 1 & 2 in Augusta, Missouri, at the Reserve at Augusta. Topics of discussion will include awards recommendations, ADMs, the geographic distribution of the US Chess team.

On the Friday before the meeting, the board is planning to see the US Chess 80<sup>th</sup> Anniversary exhibit at the World Chess Hall of Fame in St. Louis. President Priest encouraged all US Chess members to consider visiting the exhibit which has a historical scope and multi-media presentations.

President Priest moved to adjourn the meeting.