

US Chess
Executive Board Meeting
September 14, 2021
Zoom Meeting

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

OPEN SESSIONS

Tuesday, September 14

Executive Board members present:

Mike Hoffpauir, President

Chuck Unruh, VP of Finance

David Hater, Member

Kevin Pryor, Member

Carol Meyer, Executive Director

Randy Bauer, Vice President

Fun Fong, Secretary

David Day, Member

John Fernandez, Member

A quorum was established and the meeting was called to order by President Mike Hoffpauir.

Open Session 1

President Hoffpauir turned the floor over to VP of Finance Unruh for a financial update on June and July. After noting that the organization was getting back on track, he turned the discussion of the financials to the Executive Director who had prepared a slide presentation. She began by noting the change in the format of the financial information due the transition from Sage to Quickbooks. She added that upon the advice of US Chess's current CFO an accrual accounting method is now being used year-round rather than a cash accounting method. She reviewed the following items:

- Revenue and expenses overview
- Areas that overperformed and underperformed

Board members asked questions about reporting on events and about the move to accrual accounting. Vice President Bauer added his perspective on the significance of monthly versus quarterly and annual reporting. He also added his thoughts on why the move from a cash accounting method to an accrual accounting method was an appropriate step for the organization at this time. VP of Finance Unruh added that since the accrual method was used during the annual audit that it was most efficient to use it throughout the year as well.

Executive Director Meyer then moved on to discuss membership revenue which is up from last year. She noted the impact of separating the magazine from membership.

On the balance sheet, she noted the impact of PPP loans showing as a liability. However, the hope is that an application for forgiveness of the loans will be approved within the fiscal year. She added that deferred memberships will tip the balance in the future.

VP of Finance Unruh then presented information about investments. A chart was presented that broke down the three categories of investments as the LMA, the Reserve Fund, and the Endowment Trust Fund. Each category was divided into the amount held in cash and the amount invested. He made the following points:

- US Chess has a record number of liquid assets under management.
- These assets are being managed by various teams and committees.
- The investment strategy continues to be very conservative.

Member David Day requested that VP Unruh explain the differences between the funds for members.

The Reserve Fund:

The goal is to preserve capital by maintaining value against the forces of inflation.

The Endowment Trust Fund:

This fund is focused on longer term goals and gains. It holds more long-term equities and funds that will produce results over time

All funds target at least 5% dividends.

Member Fun Fong asked about the reasoning behind the amount set aside as a Rainy Day allotment within the Reserve Fund. VP of Finance Unruh explained that when the Board set up the Reserve Fund they included a policy that 40% should be held in cash as an emergency fund which is separated out on the chart under “Rainy-Day.”

After checking that there were no other questions about the finance report, President Hoffpauir directed to the Scholastic Regulations as the next item on the agenda. He mentioned that he, and Board members David Day and David Hater were in the process of reviewing them and that they were not yet ready to present to the board. The intention is to present them through the online portal when they are ready.

There was a brief discussion of a change in the Scholastic Regulations regarding pairings between teammates that Member David Hater brought to the board’s attention. There was general agreement that it should be discussed in a future meeting.

President Hoffpauir then turned the floor over to Executive Director Meyer for an events update.

Executive Director Meyer presented an inquiry by Boyd Reed, Director of Events, whether he should continue approaching the 2022-2024 US Open venues about reducing the number of days

so that the shorter format could be implemented before 2025. There was general agreement that continuing to pursue the changing of these contracts was not a productive use of Director Reed's time.

Executive Director Meyer reported that the K-12 Grade Nationals, which will take place in Florida, is presently moving ahead as an in-person event. Staff will continue to monitor any changes in pandemic-related restrictions but they are not currently anticipated.

The board then entered closed session.

Open Session 2

President Hoffpauir opened the session by noting that one of the topics discussed in closed session was the Privacy Policy. He then turned the floor over to Secretary Fong to read the motion.

EB22-008 – Board – The Executive Board moves to approve the privacy policy and website terms of use policy as drafted. We would like to further note that there are different policies for US-based residents versus those living elsewhere. The practical result of this is manifested by US residents being able to opt out of mailings while GDPR nations having to opt in for mailings. **PASSED 8-0**

President Hoffpauir introduced the format of the US Open from 2025 onward as the second topic discussed during closed session. He noted that this had been a topic of discussion at the US Open during both the US Open Committee workshop and the Delegates Meeting in August. Secretary Fong then read the motion.

EB22-009 – Hoffpauir –The Executive Board moves that starting in 2025 the US Open shall transition from a nine-day to a seven-day schedule with day one being Monday and day seven being Sunday. Invitational events will be held on Monday through Wednesday, days one through three. Selected committee workshops will be held onsite on Thursday and Friday, days four and five, with most workshops occurring online, one to three weeks before the US open begins. Online workshops cannot be scheduled before publication of the Delegates Call. Side events will be scheduled at the discretion of the Director of Events. **PASSED 8-0**

President Hoffpauir announced that the Executive Board intends to schedule a meeting between Board members and state chapter presidents to hear what is on the minds of the those on the state level.

President Hoffpauir thanked the Board members for their time, hard work, and attention to detail.

The board will meet again on Tuesday, October 12, 2021.

The meeting adjourned.

Respectfully submitted,

Fun Fong
Executive Secretary