

Proceedings of the U.S. Chess Federation Executive Board Meeting November 15-16, 2014 – Louisville, KY

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

Open Session 1 – Saturday, November 15, 2014

The meeting was called to order by President Ruth Haring. She called the roll. Board members Allen Priest, Chuck Unruh, Gary Walters, Randy Bauer, Michael Atkins, Mike Nietman, and Jean Hoffman were present creating a quorum. Also in attendance were Franc Guadalupe and Debra Robison.

Officer and Management Reports

President's Report

After welcoming every one and thanking Allen Priest for his hospitality and impressive fireworks display President Haring said she looked forward to continuing the process of creating new programs which support the new 501(c)(3) status and foster the USCF Vision and Mission. Regarding finances, Haring said USCF is standing where expected; will continue to focus on fiscal discipline and controlling costs; had paid off the line of credit in spite of the extraordinary costs of the Olympiad and World Youth; and the K-12 has good registration numbers. She said membership numbers are strong in the scholastic and under 20 segments, but adult numbers are falling and called for data based programs to reverse this trend. She said she's looking forward to Jean addressing membership retention; new member acquisition and events armed with new information and a plan of action. Haring reported that since early October, the six rated online tournaments played had allowed 279 unique players to participate in 1558 tournament games and generated 22 new USCF memberships. She then congratulated and commended Rex Sinquefield for the 2014 Sinquefield Cup and Fabiano Caruana for his phenomenal win; Maurice Ashley for creating the first Millionaire Chess Tournament and its winner Wesley So; Jennifer Yu for winning the gold in Under 12 category at World Youth; Claudia Munoz for gaining 76 FIDE points at the World Junior Under 20 Championships; Sam Shankland who qualified for the World Cup; The Kasparov Chess Foundation for negotiating arrangements and conditions for Sam Shankland and Sam Sevian to play in the Tata Steel Chess Tournament in 2015; and for the collaborative efforts of The Chess Club and Scholastic Center of Saint Louis and the Kasparov Chess Foundation on behalf of Team USA.

Vice President of Finance

Allen Priest's report covered the first quarter financials saying challenges remain in the budget process of revenue recognition; the Olympiad and World Youth did not cause as big a financial hit as anticipated; budgeted expenses not incurred contribute to the positive figures; the required payments are being made to the LMA; and that how well our tournaments do will determine how well we do financially for the fiscal year. He noted that the Spring Nationals are all centrally located which traditionally brings good attendance. Priest went on to explain the IRS form 990 noting that an extension had been requested; changes had been caused by the 501(c)(4) to 501(c)(3) status; the Board was now listed as Directors with their hours spent on USCF business; how unrelated business income was defined; the importance of our continued high level of public support; how transactions with interested persons were defined; that the mission statement, by-laws and procedure for 990 review were all updated; and the 990 filing process was being refined. Regarding the Audit Report,

Priest said there were no surprises on the 2013 and 2014 financial statements and that recommendations in the management letter regarding internal controls had been implemented. Referring to the U.S. Open Analysis, Priest reminded everyone to factor in the \$20K penalty received from the Millennium Hotel in Saint Louis and that historically the tournament loses money due to the governance activities held at the event.

Executive Director

Jean Hoffman began with a story about an innovative fund raiser then said this meeting would focus on reviewing the objectives and efforts made to achieve them. She reported that 37 new scholastic affiliates had received 370 sets; Jay Stallings would conduct a workshop for parents and teachers at the Grade Nationals; changes to the Affiliate's online credit card process were possible; many accounting duties have been transferred from the VP of Finance to the accounting staff; department heads are now keeping their department's budget; improvements are being made to tournament budgets; the Olympiad, World Youth and Pan Am were all under budget; donations from the Chess Club and Scholastic Center of Saint Louis and the Kasparov Chess Foundation offset extra expenses for the Olympiad; and how we present information on revenue and expense and the budget impact our fundraising efforts. A discussion about membership retention and fundraising followed Hoffman's mention of the trend that memberships for Under 25 year olds are growing while Adult numbers are declining. She commented on additional stakeholder survey plans and what has already been learned; said the 501(c)(3) website would be discussed in closed session; and advised that the Annual Donor figures appear large because of an accounting change. Hoffman said all state solicitation forms had been submitted, and the fundraising drive was poised to begin once all approvals were received, thus working toward the objective of a 100% increase in donors.

At this time President Haring recessed the meeting for lunch.

Open Session 2 – Saturday, November 15, 2014

The meeting resumed at 2:15pm. All Board members were present as were guests Franc Guadalupe and Debra Robison. President Haring called for a continuation of the reports.

Director of Events

Franc Guadalupe first focused on the K-12 reporting that Mike Hoffpauir will serve as Chief Tournament Director and Al Losoff as Back Room Chief; Losoff will train other TD's to serve in this position; Joe Yun, Allen Priest and Boyd Reed will be the Spring Nationals Back Room Chiefs; 971 players had entered as of the early entry deadline which is 66% of last year's 1476 total entries; based on New York and Florida numbers, Guadalupe predicts this year's attendance to be 1550 to 1600. He talked about the special side events with Irina Krush and the Magnus Carlsen simul broadcast commentary. Guadalupe discussed his work with the "other rating" special committee explaining that the means of gathering the "other" over the board rating information and processing it had to be in place before registration could begin; announced that three of the five K-12 Section Chiefs were from Florida; and explained the purpose of post event TD evaluations. In the area of international events Guadalupe commented briefly on the Chess Olympiad, Chess Congress, World Junior Under 20, Continental Championships, World Senior, World Senior Team, Women's World Team, and World Youth and Cadet Championship 2015.

Executive Director

Jean Hoffman then introduced new items including proposed changes to the Membership Appreciation Program; a member's suggestions to increase adult membership; results of the pay per game pilot program and a recommendation for the office to come up with an application process,

selection criteria and an optimal number of states to include in an extended program; and proposed a "Document Retention Policy".

EB15-016 (Allen Priest) Move to accept the United State of America Chess Federation Document Retention Policy. **Passed 7-0**

Hoffman began a review of Delegate motions starting with items referred to the Board. DM14-31 was considered first and the Board agreed that current promotional memberships including the Group Voucher program fulfilled this motion. DM14-55 was ruled moot for 2015. After discussing DM14-57, it was agreed clarification was needed; existing membership programs need more exposure; and Kansas should be invited to participate in the pay per game pilot. DM14-22 generated new discussion and a motion.

EB15-017 (Allen Priest) Move to include the use of e-cigarettes in the definition of smoking, so that the ban on smoking is extended to e-cigarettes. This ban is effective January 1, 2015. **Passed 5-2 with Haring and Walters opposed**

Continuing the review, the Board discussed DM14-32, agreed it was an idea for the future, and should remain on the list. DM14-56 would be addressed by Franc Guadalupe. The remaining items would be independently reviewed by the Board members and introduced later if needed

Next the topic of frivolous complaints was discussed. The Executive Director was asked to determine a good faith deposit for TDCC and Rules complaints costly enough to deter frivolous grievances.

Delegate Motions referred to committees were briefly reviewed.

Hoffman advised that the ED Approval for Contracts statement as required by EB05-40 had been overlooked but was now being printed in Chess Life. The Board discussed the motion and possible updates. Randy Bauer offered to write a motion incorporating their ideas.

EB15-018 (Allen Priest) Moves to amend the USCF policy and remove the requirement to publish the contract approval policy in Chess Life or on the website. **Passed 7-0** NOTE: This refers to EB05-40

Committee Liaison Reports

Mike Nietman reported no reply from the Election Committee chair to a request for recommendations or policies the committee plans to put into place to avoid past election errors and inconsistencies. The Board discussed ways to correct recent problems in the election process. ED Hoffman will contact the Election Committee chair.

Nietman said the Scholastic Council was currently working on the ratings issue and updating tournament trophy requirements. Any resulting rules changes would be reported to the Board.

Secretary Nietman advised that the College Committee was electing a new chairperson at the end of November. He will offer a motion once the new person is named.

A brief recess was called.

Open Session 3 - Saturday, November 15, 2014

The meeting resumed with Liaison Reports and Mike Nietman introducing two motions.

EB15-019 (Mike Nietman) Move to amend EB15-008 to change “Rule 5” to “Rule 2”. **Passed 7-0**

EB15-020 (Mike Nietman) Move to modify Rule 5 of the Pan American Intercollegiate Team Chess Championships Official Tournament rules (2012 Revision) to read: Rule 5 College and university players for a Pan American team must all be resident at the same geographical campus – either in on campus housing or in housing within reasonable commuting distance from campus. **Passed 7-0**

Allen Priest revisited ADM14-55 saying an event would take place in Orlando the same dates as the U.S. Open. Franc Guadalupe offered to contact the GeekyCon organizers.

Executive Director Hoffman referred to a previous motion about extending EB13-56 through 2015. After deliberation a revised version was suggested.

EB15-021 (Ruth Haring) Move that the EB extend EB13-056 (see below) for the 2015 USCF Grand Prix and to review the program in August 2015. **Passed 7-0**

EB13-056 (Goichberg) Move that for the 2014 USCF Grand Prix, tournaments limited to seniors, juniors, women or college students shall be eligible, providing they satisfy the other Grand Prix requirements. (sufficient guaranteed prizes. all rated 2200 or over are eligible, etc.). Passed 6-0 Jim Berry not present

Mike Atkins reminded the Board of an October 2009 motion to review FIDE ratings fees. After discussion the Board asked ED Hoffman to analyze the costs involved in handling FIDE reports and determine an appropriate fee for passing rating information to FIDE.

Senior Committee had asked Atkins to inquire about the senior rating floor policy. Current policy; different point systems; and automatic adjustments were discussed. Atkins will confer with the Ratings Committee and report back to the Board.

Randy Bauer suggested changes to the agenda making process. Agenda construction; who approves agenda items; time standards for submissions; need for a calendar which organizes recurring tasks; determining if agenda items further USCF goals; measuring success; institutionalizing policy; orientation materials; and the importance of timely distribution of the agenda were discussed. Bauer agreed to prepare recommendations for the spring meeting.

President Haring adjourned the meeting for the day.

Open Session 1– Sunday, November 16, 2014

Secretary Nietman called the meeting to order. President Haring announced that all Board members and France Guadalupe were present. Nietman introduced the following items from closed session.

EB15-022 (Board) In the matter of Xue (Li) vs. Troendle of August 8, 2014, the USCF Executive Board finds that Ms Troendle violated the USCF Ethics Code by barring from tournament play USCF members in good standing and thus reverses the Ethics Committee’s decision in this matter by a vote of 6-0 one member not voting. No USCF member in good standing should be barred from a USCF tournament without due process and a sound basis. In the absence of a rationale provided by the

USCF Ethics Committee, the Executive Board reviewed this matter *de novo*. **Passed 6-0 with Allen Priest not voting (not present for discussion)**

EB15-023 (Michael Atkins) In order to improve the effectiveness of the FIDE Events Committee in the area of tracking National Arbiter applications and FIDE related waivers, it is moved that FIDE Events Committee be given TDCC like powers to create and administer National Arbiter certification exams and deal with waiver requests related to FIDE. **Passed 7-0**

The Board decided that the next meeting would be February 21-22, 2015 in Saint Louis, then went into closed session for a short deliberation.

Open Session 2 – Sunday, November 16, 2014

President Haring called the meeting to order saying all Board members were present except Randy Bauer. Franc Guadalupe was also in attendance. Secretary Nietman introduced the following item from closed session.

EB15-024 (Board) The Board vacates the TDCC ruling in the Melton vs Skidmore and Smith decision since Melton is not a USCF member and lacks standing to bring the complaint. **Passed 6-0 with Randy Bauer not voting (not present for discussion)**

President Haring adjourned the meeting.

Action Items

- ED to contact Election Committee for recommendations to alleviate errors and inconsistencies
- Office to formulate a recommendation for an extended pay per game pilot program including the application process, criteria and number of states that would be selected.
- Office to encourage Kansas to participate in the pay per game pilot program
- ED to determine a good faith deposit amount for TDCC and Rules complaints costly enough to deter frivolous grievances.
- Bauer to formulate a motion regarding contract approval requirements.
- Office to prepare information about EB13-56 pilot Grand Prix project for review at the August 2015 EB meeting.
- ED to analyze costs and determine an appropriate fee for passing rating information to FIDE
- Bauer to prepare recommendations on agenda construction for the next board meeting