USA Surfing, Inc. Board of Directors Meeting

Special Fundraising Meeting

May 30, 2019, The Outlets at San Clemente - 6:00 PM

ATTENDEES: Greg Cruse (CEO), Andrea Swayne, Kevyn Dean, Randy Brecher, Jason Velez, Charlie Setzler, Christiaan Bailey (Adaptive Athlete Representative), Brian Bourgeois, Chad Faulkner

ABSENT: Courtney Conlogue (Athlete Representative), and Kevin Schulz (Athlete Representative)

GUESTS: none

Special meeting called pursuant to Section 6.14 of the USA Surfing Bylaws.

1. ROLL CALL – Swayne

* Meeting called to Order 6:07
* Quorum present

1. READING AND APPROVAL OF MINUTES (April 8, 2019)

* Tabled – Minutes not completed
* Will post on Slack

1. OVERVIEW – Swayne

* Agenda item addition requests will be addressed and included with next regular meeting agenda.
  + - Budgeting of events as a line item
      * Budget has been posted to Slack by Cruse.
      * Cruse was asked to put together event P&L information for Board review.
      * Current deficit in budgeted fundraising amount was discussed.
      * Prime Series entry fees needed to fund deficit.
    - Fundraising
      * Absence of May and June fundraising events affected budgeted expenses for event permit fees.
      * Fundraising is an urgent priority.
    - USA Surfing Championships
* Current planning and execution of event is in progress.
* Cruse is working within budgetary parameters of financial responsibility and income revenue.
* Bourgeois posted a suggested pro forma event budget form on Slack.

1. STRATEGIC PLAN – Draft Version 4 posted in Slack for Board approval

* BOD review and suggest edits to Strategic Plan including budgeting systems
  + USOC has offered an Action Plan session as a follow-up.
  + BOD needs to review and advise of any suggestions by Wednesday next week,
    - Fundraising must be a priority in preparing the Action Plan but a fundraising action plan must commence prior to the USOC follow-up planning session.

1. HURLEY MEETING REPORT – Cruse

* March Sponsorship Proposal presented to Hurley.
  + Issues re uniforms with ISA re technical and team uniforms. Matter is on appeal due to it being a major sponsorship issue. Ruling should be in the next week.
  + Hurley’s prior commitments to USOC with regard to official sponsor of specific clothing items were discussed.
  + Hurley has built out their kit for team riders. They are open to discussing support of USAS once ruling comes in.
* A sponsorship opportunity with Khombi to go beyond Olympics and include junior team.

1. WSL MEETING REPORT – Cruse

* Ongoing meetings/telephone calls re how Olympics will be handled and how athletes will be selected
  + USAS is working well with WSL and continues to serve as a pipeline for talent for them. Prime Series is great pathway to QS/CT.
  + Cruse outlined several areas where we could work together.
    - Judge training
    - Collaborate and cross-promote causes WSL supports.
    - Process for U18 champions to get into the 6,000s and 10,000s.
    - Acknowledge relationship that already exists and that Prime and USA Championships are stepping-stones to the pros.
    - Top two men and women at end of WSL 2020 season will be the provisionally chosen USA Surfing Olympic athletes.

1. NGB SERVICES UTILIZATION – Swayne

* Altruic Accounting firm
  + NGBs have availability via the USOC to accounting services with their approved vendor.
  + Vetted different vendors and spoke with other NGBs re Altruic’s reputation.
  + Worked with Altruic to submit request for proposal based on our needs.
  + Submitted request to USOC NGB Services. USOC will provide grant for Altruic services.
  + Contract will be between Altruic and USAS.
  + USOC Audit coming up soon providing an open book to all temporary uses of grant monies received to fill in cash flow and all other accounting.
  + Grant monies should be used for grant items only, however USOC provides NGBs the advance opportunity to repurpose funds if necessary.
  + Brecher is vetting an independent financial audit firm for annual independent financial audit.
* USOC Audit (event selection criteria/credentials, conduct codes, grievance adjudication procedure, compliance audit, etc.)
  + USOC Audit will focus on all things USOC
    - USOC will advise on outstanding compliance items at USAS.
    - It is imperative USAS remain competitive for winning medals for future grant monies.
    - USOC wants USAS to grow toward self-sufficiency.

1. AUDIT COMMITTEE MEETING REPORT / PROGRESS UPDATE – Swayne & Brecher

* The Committee met last week and invited Faulkner to join.
* Bourgeois offered his accountant/bookkeeper to review USAS QuickBooks for a current status assessment. His accountant had some questions regarding items prepared by USAS bookkeeper. After some review, Bourgeois requested access to banking accounts for his accountant.
* The request was then discussed. However, additional accounting assistance was deemed unnecessary at this time as USAS was already engaged in transitioning accounting to the USOC approved vendor, Altruic and USOC auditors will soon will be taking a deep dive into past and current USAS accounting records.
* Committee will proceed with an independent audit to prepare an audited financial statement.
  + Brecher looked at three accounting firms in California for the independent audit.
  + Next week we should have two formal proposals from potential auditors.
  + A discussion then ensued as to the treatment of some of the Surfing America (SA) debt as integral to continuing the operations of USAS.
  + Swayne asked for SA debt to be separated into categories in order to assess the validity and desirability of USAS assuming payment for certain items.
  + Brecher stressed USAS must decide how to move forward on that debt right now.
  + Cruse undertook to categorize the debt based on payees etc.
  + Brecher suggested USAS make a clear prioritization on whom to pay (e.g., state and federal organizations), and importantly considering goodwill of those people within the surfing community and planned operations of USAS.
  + Brecher expressed the need to take a deeper dive into the monthly financial statements and understand the actual performance of the organization vs. the budget, and then create a reporting package.
  + Cruse noted Altruic will provide a standard financial reporting package.

1. RECENT FUNDRAISING SUCCESSES / NEW or RENEWING PROGRAMS

* Amazon Smile social media banners/promotion schedule – Swayne will repost on Slack. Directors will share and recruit participants.
* Toyota sponsorship payment is due.
* Sun Bum renewed.
* The Outlets at San Clemente Shopping Extravaganza is coming up.

1. APRIL 8 BOD MEETING FUNDRAISING DISCUSSION TOPICS RECAP

* “Proud sponsor of USA Surfing” ex. $5K baseline for exclusive 12-month use, non-industry entry level $5K (Velez)
* Velez introduced the owner of a healthcare company that’s working with a world class sprinter and focusing on athletic performance/DNA/genomics/microbiome and could possibly partner on sales of a diagnostic DNA kit with a split of proceeds
* Cruse expressed a preference for tailored sponsor packages vs tiered programs.
* In-kind donations such as airfare, wax, etc. are welcome.
* Top targets should be: major donors, grants, possibly create a foundation.
* A golf tournament with a focus on high-dollar donors was suggested by Hatch.
* Hatch also suggested developing major donor packages that would include special access/VIP experiences at the Olympic Games.
* Special access/VIP experiences at USA Champs/Lowers (special parking in the Boneyard, Outdoorsy camping, food, live music, luau, athletes giving surf lessons, etc. was suggested by Cruse).
* Omaze campaign (Swayne)
* USAS has secured an attractive housing base on the north shore for Tokyo 2020, which will definitely provide opportunities for donor experiences. (Cruse)
* Miyazaki 2019 -“guest of the team” with team kit, opening ceremonies, G Credential (Cruse)
* Cruse has worked with Japanese government officials to secure cultural exchanges with Shimoda and Makinohara mayors for 2020. These cities could provide exclusive experiences-tours, dinners, Tokyo America Club/Dean Rodgers/USA House, etc.
* Surf industry join the surfing “pool” to get authorized use of the marks – patterned after the USA Skiing pool (Ruger)

1. USOC FUNDRAISING / MAJOR DONORS SPECIALISTS

* Swayne advised USOC will provide a seminar regarding getting started with fundraising, major donors and foundation program. Requested BOD to give dates for availability.
* Possible to do a Zoom meeting so more availability for BOD to participate.
* USOC has funding for these activities.
* Major Donors identify themselves with USOC – USOC has been advised that USAS is interested in learning more about this program.
* Swayne spoke with some other NGBs regarding Board of Director participation, give or get requirements, etc.
  + Suggest we explore being a giving board
  + Discussion regarding ideas on this: Progression based $1k, $3k, $5k
  + Focus on how much we need and when do we need it.
  + First priority is to get collateral materials together for sponsorship package
  + Board should fundraise within themselves to prime the fundraising program by providing funding to pay for marketing materials to present to major donors.
  + Current connections are known/identified but marketing materials are needed to get to the major donors.
  + Most attractive would be an Olympic experience, but also other championships experiences and team gear packages.
  + Ruger advised USAS will receive a very limited number of credentials – possibly two G Credentials and those would already be spoken for. A Credentials are not an option. NGBs would have to purchase tickets and access to USA House. Hotel rooms onsite at venue where athletes are staying is a golden ticket. You have to build the package and then add what you want to take from it.
  + Explore access to athletes and identify options such as meet and greets or a day of surf with athletes.
  + Cruse will work on getting some materials/packages together to present to potential donors.
  + Faulkner has contacts at Omaze and volunteered to work with them once Cruse gets materials together.
  + Question: Does USOC provide resources for strategies for marketing? Yes
  + Suggestion: Need to reach out to some connections that could possibly architect a marketing plan.
  + USOC Fundraising webinars upcoming that we can sign into and take for free. Will post on Slack.
  + Swayne found a VAT tax company that can get us refund on taxes paid on international items, saving USAS money. Swayne will set this up.
  + Swayne shared an invitation from Water Polo to USAS to have a tent at their Olympic Day celebration 6/23 11am-3pm at their headquarters, 6 Morgan Dr., Irvine. This is an opportunity to do outreach, partner activation, autograph signing, etc. Need volunteers to man it and talk to people about USAS. USA Champs conflict.
  + Bailey suggested a marketing opportunity exists in adding adaptive merchandise sales to support adaptive surfing.
* ACTION ITEMS
  + Cultural event
  + Swayne will post a poll on preferred give or get amount/s.
  + Brecher to select/recommend independent auditor ASAP to bring back to Board for approval.
  + Advise USOC when independent auditor is selected.
  + Proceed with seminar with USOC re fundraising.
  + Fundraising/marketing materials development to be headed up by Cruse.
  + Build strategy and plan.
  + Get financials updated/Altruic fully engaged ASAP.

1. Discussed USAS response to member organization refusal to comply with membership requirements (resulting in lower than expected dues).

NEXT BOD MEETING WILL BE IN JUNE – DATE TBD – WILL POST TO SLACK

ADJOURNED: 8:41PM