



Funding the Future of Synchronized Swimming

Date: 22 June 2018
To: The Board of Directors of USA Synchro acting on behalf of the Board of Governors
From: The Trustees of the United States Synchronized Swimming Foundation
Re: Proposed Motion to the Code of Regulations regarding Further Required Changes to Board Structure

We move that the Code of Regulations of The United States Synchronized Swimming Foundation, Inc., be amended as follows:

Article II, Trustees

Section 2.1. Number and Selection. ~~The re shall be no more than eighteen (18) Trustees of the Corporation, shall be~~ selected as follows:

- (a) The number of Trustees to be in office each year shall be set by the Board of Trustees by the end of the prior fiscal year based on the Corporation's priorities and needs. The Corporation's Nominating Committee and USSS Nominating Committee shall be given advance notice so as to be able to slate appropriate candidates.
- ~~(a)~~ Nine (9) of the Trustees shall be elected by the Board of Governors of USSS shall have the power to elect the majority of the Trustees. The Board of Governors shall elect three (3) of these Trustees at its annual meeting each year. The Trustees so elected shall take office immediately following the annual meeting at which they are elected and shall serve for a three-year period, or until their successors are elected and qualified.
- ~~(b)~~ The remaining nine (9) Trustees shall be elected by a majority of the Trustees at its the first meeting of the Board of Trustees after the annual meeting of the USSS's Board of Governors, with three (3) Trustees elected each year. The Trustees so elected may take office immediately upon their election and shall serve for a three-year period, or until their successors are elected and qualified.
- (d) Should the Board of Governors not elect its full complement of Trustees, the Corporation shall elect its full complement of Trustees, but the Board of Governors shall endeavor to fill its open Trustee positions as expeditiously as possible.
- (e) Should Board of Governors-elected Trustees resign or be unable to serve so that there is no longer a majority of Board of Governors-elected Trustees remaining on the Corporation Board of Trustees, the Board of Governors shall endeavor to fill its open Trustee positions as expeditiously as possible. However, this situation will not require that Corporation-elected Trustees resign to maintain a Board of Governors-elected majority.

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Background:

The USSSF created a Board Development Task Force to support the execution of the USSSF strategy, attract talent and create a viable succession plan. As part of their work, the Task Force considered the purpose of the USSSF, its strategy, and how to increase its impact; reviewed the Foundation's needs and strengths; researched other non-profits; and conducted gap analysis.

Based on these findings, the Task Force recommended the USSSF Board become a fundraising and policy-making board, which would allow it to increase the Foundation's impact and better achieve its goal of funding the future of synchronized swimming. To be a successful fundraising and policy-making board, significant change to the USSSF Board structure is needed, including increasing the number of Trustees in order to broaden and diversify the Board's reach and sources of support. The Board of Governors of USA Synchro approved this change in Trustee numbers and structure at Convention in September 2017.

Rationale:

The initial plan to have half the Trustees elected by USA Synchro's Board of Governors and the other half elected by the USSSF Board of Trustees was subsequently found to be problematic: **To maintain our non-profit tax status, the majority of trustees of the supporting organization (the USSSF, aka the "Corporation") must be elected by the supported organization (the "USSS", aka USA Synchro).** As a result, we are revising the how the 18-Trustee board is to be elected to maintain the majority requirement. The ideal is for a consistent application process for both the USA Synchro and USSSF board trustees to ensure an equivalent level of qualified candidate and selection criteria.

Because the USSSF board is expected to continue to grow in the coming years, we are also making the number of Trustees more flexible so as to minimize the revisions required to the Code of Regulations. This language has been reviewed by the USSSF attorneys, who have described it as the "wiser way" to handle board growth. In the future, as we continue to grow the Foundation and number of Trustees, we will review the Code of Regulations to ensure compliance with accepted non-profit status options.

Pros:

- This change in Board election is in compliance with the legal requirement that mandates a majority of trustees must be elected by the supported organization (in this case, USA Synchro).
- The change maintains the intent and purpose to shift the USSSF Board to a fundraising and policy-making body focused on funding the future of synchronized swimming by building the Foundation's corpus. This shift was already approved by the USA Synchro Board of Governors in September 2017.
- This change allows for future growth of the USSSF board without requiring repeated revision to the Code of Regulations but also ensures USA Synchro still maintains the elected majority.
- The election structure ensures six newly elected (or reelected) Trustees join the 18-member USSSF board each year, which allows for continuity on the Board.

Cons/Considerations:

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- Failure to implement this change could cause the USSSF to lose its current non-profit tax status.
- Implementing this new Board structure will require a more focused recruitment and development plan.

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