

**SWIMMING SAVES LIVES FOUNDATION  
COMMITTEE MEETING MINUTES  
AUGUST 24, 2017**

|                      |  |                       |                     |
|----------------------|--|-----------------------|---------------------|
| Committee:           | Swimming Saves Lives Foundation (SSLF) |                       |                     |
| Chair:               | Brandon Franklin                       |                       |                     |
| Minutes recorded by: | Brandon Franklin                       | Date/time of meeting: | 8/24/2017; Noon EST |

Following are the minutes of the SSLF meeting held on the above date. The agenda is attached.

**Motions Passed:**

1. Approval in recommending to the USMS Board of Directors that funds totaling \$107,689 be made available to cover Grant recommendations for the 2018 Grant Year. Specific Grants to which the funds relate will be included in the SSLF Minutes to be dated September 14, 2017.
2. Approval of a distinct SSLF Annual Budget. The budget comprises three departments: 1) Program Expenses; 2) ALTS Instructor Courses; and 3) Events. An overview of the budget is included below and the budget itself is attached as a separate document.
3. Approval of a policy to allocate up to 15% of annual contributions towards the Program Expense component of the distinct SSLF Annual Budget.
4. Approval of a policy to place up to 10% of annual donations (excluding Event or ALTS instructor certification revenues) into the Foundation Investment Account as a reserve to hedge against an economic downturn that impacts annual donations and / or to fund larger scale projects that support the Foundations mission in the future.
5. Approval to limit the amount of annual donations to be placed in reserve at 6% in order to fund two additional grants totaling \$4,939 (already included in the amount set forth in Motion 1 above).

|  |   |
|--|---|
| Number of Members present: 11<br>Others Present: 3<br><br>Brandon Franklin (Chair), Debbie Malafsky (Vice Chair), Ted Haartz, Tom Holmberg, Mike Hamm, Bill Meier, Patty Miller, Nancy Ridout, Jay Definis, Maria Elias-Williams, Ex-officio: Holly Neumann, Other: Dawson Hughes, Susan Kuhlman, Bill Brenner | Absent: 2<br><br>Nadine Day, Leslie Scott |
|--|---|

---

**MINUTES**

The meeting was called to order at 12:03pm by Brandon Franklin.

### FUNDRAISING PROGRESS

Susan Kuhlman gave the team an update on the fundraising progress. Through July, total contributions were \$40,800 versus \$27,594 at the same time last year. That is a year over year increase of 48%. It was noted this puts the Foundation in a strong position as we head into the USMS registration period when a significant amount of annual contributions are received.

It was noted that total donations received through the end of 2016, from which 2018 Grants are to be funded, totaled \$137,000 so we are well positioned to exceed that figure.

### OVERVIEW OF GRANT EVALUATION AND AWARD RECOMMENDATION PROCESS

Holly Neumann gave the group an overview of the evaluation process applied to the Grants received to determine those recommended for funding in 2018. The total number of grants received was 82 totaling \$310,662. Holly stated all grant requests were solid applicants and therefore a points system was employed to determine the best qualified applicants. Based upon the outcome of the point system, along with other analytical criteria, a total of 47 Grant Applicants totaling \$103,347 were highlighted as probable programs to be recommended for approval by the Committee for funding in 2018.

Further, Holly also discussed two additional programs which she felt warranted further consideration for approval. Those additional programs fit neatly in to the SSLF mission but did not qualify based upon the point system. Funding for those two additional programs totaled \$4342, bringing the total number of highlighted programs to 49 for funding of \$107,689

Holly noted that some of the Programs had received Grants in the past and the question of whether the guideline of providing funding for only three years was appropriate. Holly felt that some of these programs were making inroads within their community, were receiving matching grants and were not yet self-sustaining. To no longer fund them would be counterproductive. Nancy Ridout suggested that we memorialize, at some point in the future, the "three-year funding rule" as a guideline as opposed to a hard and fast policy.

### REVIEW OF THE PROPOSED FINANCIAL GUIDELINES and 2018 SSLF BUDGET OVERVIEW

Dawson discussed the need for the Foundation to continue towards a path of self-sustainability. To date, no formal budget for the Foundation has been prepared, all expenses to market and operate the Foundation have been borne by the USMS budget, and 100% of SSLF donations have been allocated to Grants.

To that end, Dawson stated a distinct 2018 Budget for the Foundation has been prepared and was submitted to this Committee in advance of the meeting for consideration / review. A draft is attached. The budget has three primary components:

- Program Expenses;
- ALTS Instructor Courses; and
- Events.

It should be noted that the donations to the Foundation lay outside of this budget and, aside from the two proposals below, would be used solely to fund Grants.

The ALTS Instructor Courses and Events components are cash flow positive and are anticipated to be able to stand alone financially. The Program Expenses component, however, will need financial support.

To fund the Program Expenses, it was proposed that no more than 15% of the of the annual donations, which lay outside the SSLF Operating Budget, be allocated to Program Expenses component of the SSLF annual budget. Examples of Program Expenses include costs associated with fundraising efforts, equipment for learn-to-swim program participants (e.g. goggles, caps, fins, swimsuits), Foundation branded items (e.g. t-shirts, banners) to promote awareness and awareness of grant programs, and the training of Adult-Learn-to-Swim instructors (mainly in areas with a high drowning rate). Dawson made it clear that, in the near term, none of the donations would be used to fund overhead items such as USMS staff, IT costs, etc. Rather, National Office staff time incurred on SSLF initiatives would be USMS's contribution to the foundation.

Dawson stated the 15% guideline has been reviewed with and recommended by USMS independent auditing firm Kerkering Barberio and that a 15% ratio is low compared to other Foundations that must account for all expenses, including compensation, from donations.

After reviewing the budget details and a Q&A period, Brandon Franklin put forth to the committee that a motion be passed to adopt the 2018 Budget of the Swimming Saves Lives Foundation as proposed by Dawson Hughes, CEO of USMS, and that the policy of allocating to the Program Expense department of the budget an amount not to exceed 15% of the annual donations. Debbie Malafsky seconded. All other members supported the motion.

#### INVESTMENT RESERVE

To date, the guideline has been to fund grants up to 100% of annual donations received. However, as the amount of grants has increased, the resultant amount in reserves remains limited (~\$200k), and thus, Dawson stated there is a need place additional funds in reserve. The purpose of increasing reserves is to ensure there are funds available to continue to grant funds in the event of an economic downturn. Should such a event occur, the annual donations could drop significantly and growth in reserves could cease or decline.

In order to mitigate against that eventuality and to ensure the Foundation can be counted on to continue to issue grants during such a period, it was suggested that up to 10 percent of annual donations be placed in reserve in the SSL Foundation Investment account held at Northern Trust.

Brandon Franklin put forth to the Committee that a motion be passed to adopt a policy that places up to 10% of the annual donations into a reserve account. Debbie Malafsky second. All other members supported the motion.

DONATION STATUS

As noted above, the total donations received in 2016, from which 2018 Grants are funded, totaled \$137,000. Following is the amount available for funding grants after allocating 15% of the donations to the Program Expenses Component of the budget and placing 10% percent into reserve.

|                      |                         |
|----------------------|-------------------------|
| Total Donations:     | \$137,000               |
| Less: 15% Allocation | (\$20,550)              |
| Less: 10% Reserve:   | <u>(\$13,700)</u>       |
| Available for Grants | <b><u>\$102,750</u></b> |

Patty Miller put forth to the committee that a motion be passed to recommend to the USMS Board of Directors that they approve funds of \$102,750 to support the Programs highlighted by Holly Neumann. Brandon Franklin second the motion. All other members supported the motion.

Further, Brandon Franklin put forth the motion that the 10% reserve amount be reduced by \$4,939 to fund the two additional programs highlighted by Holly above. This would reduce the 10% reserve to \$8,761 or 6.4%. Debbie Malafsky seconded the motion. All other members supported the motion.

Thus, the Committee passed motions to recommend funding of grants totaling **\$107,689** for 2018.

Holly stated that the Goggle Drive has been set up on Flipcause. The total goal is \$6,000.00. The link is here:

[https://www.flipcause.com/secure/cause\\_pdetails/MjExMzg](https://www.flipcause.com/secure/cause_pdetails/MjExMzg)

No other matters of significance were discussed.

The meeting was adjourned at 1:02 EST.