



**Board of Directors Meeting
January 14 & 15, 2012
Aurora, CO**

These minutes reflect key decisions made during the USA Ultimate Board Meeting, as well as associated decision points.

Board members present:

Gwen Ambler	At-Large Rep, Vice President
Audrius Barzdukas	Southwest Rep, ExComm member
Greg Downey	Appointed Director
Mandy Eckhoff	Northeast Rep
Matt Farrell	Appointed Director
Kathy Hendrickson	Mid-Atlantic Rep
Mike Kinsella	Central Rep
Colin McIntyre	At-Large Rep, Secretary through 1/14
Sandy Park	Appointed Director
Mike Payne	Northwest Rep, President
Ben Slade	South Rep
John Terry	At-Large Rep

Also present:

Tom Crawford	Chief Executive Officer
Melanie Byrd	Director - Membership and Sport Development
Andy Lee	Director - Marketing and Communications
Will Deaver	Managing Director - Competition and Athlete Programs
Julia Echterhoff	Manager - Administration and Finance
Byron Hicks	Manager - Competition and Athlete Programs
Mike Lovinguth	Manager - Education and Youth Programs
Baker Pratt	Manager - Education and Youth Programs
Anna Schott	Manager - Membership and Sport Development
Matthew Bourland	Manager - New Media
David Raflo	Manager - Events
David Mares	Manager - Membership Development
Henry Thorne	Former Board member, Treasurer through 1/14

Saturday, January 14, 2012

- *President Mike Payne called the meeting to order at 7:45 a.m.*

CBS Sports Discussion

Billy Stone from CBS Sports led a discussion on the history and continued involvement of CBS sports with USA Ultimate

- In 2003, College Sports Television, CSTV, began broadcasting Collegiate Nationals.
- CBS purchased the network and it is now part of the CBS Sports Network.
- CBS Sports Network is no longer restricted to collegiate sports.
- Billy spent time talking about aspects of the sport that are great for television (SOTG, passionate fans, youth growth, etc.), and aspects (uniform requirements for college teams, play stoppages, time caps, additional focus on Beach as an exciting sport for TV, etc.) we might consider changing. The Board committed to working with Billy in the next year (led by the Marketing & Sponsorship Committee) to determine changes to be made (if any), and the schedule for making them.
- No board votes were taken in this session.

Strategic Planning: Vision & Values

Kae Rader led the Board and staff through a review of our mission and steps to create a vision statement and values. The strategic planning committee will continue to meet and take BOD and staff input to finalize the vision statement and core values.

Strategic Planning for 2013-2018 (9:30am-4pm)

- Worked on new Vision and Values for USA Ultimate, as well as 2013-2018 strategic plan.
- Details on the Strategic Planning effort will be communicated in separate documents and news items on the USA Ultimate website.
- No board votes were taken in this session.

HQ Report (4-6pm)

Tom Crawford, CEO, gave an overview of 2011.

Administration & Finance

- Highlights – we went up in expenses by \$250k for 2012, but we increased revenue by \$388k.
- Audit of our expenses shows that a great deal of our expenses get allocated to serving our mission. 1/3 in the championships, 1/3 in marketing and communications, and 1/3 in programming.

- Staff is working on the development of an Annual Report to show to the members, potential members, potential sponsors, foundations, etc. This will provide transparency and hold the organization accountable for its spending.

Membership & Sport Development

- 10% of members took advantage of multi-year memberships.
- Outreach
 - Continue to provide intramural, women's clinic and team development kits.
 - 38% increase in sanctioned events.
 - Nine coaching certification rebates.
- Innovation Grant Program – discussed possibility of increasing funding for this program, a possibility staff will look into during 1st half 2012.
- Event Sanctioning
 - SOTG packet for distribution at sanctioned events.
 - New event quality standards being rolled out.
 - Now only sanction tournaments and leagues, but provide insurance to other stuff. Tier system.
- 2012 goals.
 - Affiliate program. Will pilot and then roll out more broadly.
 - D&O insurance for league administrators.
 - League-level membership possibility.
 - Simplified registration.
 - USA Ultimate high profile coaches to teach local clinics.
 - US Open
 - Launch in 2012, grow each year into top 2 premier event in the United States.
 - Beyond the tournament, there will be clinics, panels, etc
 - It is an exciting experience to use the Olympic facilities
 - IT project (back-end IT for USA Ultimate, which will also support more online services for members)
 - Tom Crawford is in regular communication with the CEO of the organization to assure the project is moving forward with no further delays.
 - Women's leadership – presentation and workshop at US Open

Marketing & Communication

- Sponsors signed in 2011: Likewise, Warheads, Recharge. Included both cash and value in kind.
- Wyndham Hotel and Rudy Project (sunglasses) was launched successfully.
- Created online store selling USA Ultimate gear, plans to increase items available with USAU logo, as well as third-party partner items.
- Published the magazine as scheduled and with high quality. Switched to electronic as default option.
- Coverage of events.

- CBS Sports for College Championships.
- NexGen Productions for Club (historic levels of viewership)
- Preservation of historic video footage and UPA magazines.
- Social media: Facebook likes are up, doubled twitter following.

Competition & Athlete Programs

- Reorganization of the department and David Raflo joined the staff.
- College restructure received positive feedback.
- D3 division was full.
- STAR program launched.
- Staff will be rolling out club restructuring in 2012.

Non-categorized topics

- Parental education – coaching program.
- A focus on youth growth and partnerships with community organizations.

No board votes were taken in this session.

- *Regular Meeting adjourned by President Mike Payne, 6:07 p.m. Staff dismissed.*
- *Closed session with CEO, Tom Crawford, 6:10 p.m.*
- *Closed session ends, 7:00 p.m.*

Sunday, January 15, 2012

- *President Mike Payne called a closed session to order at 8:00 a.m.*
- *Officer Elections.*
- *Committee assignments. 9:00 a.m.*

Officers for 2012 Calendar Year:

President:	Mike Payne
Vice President:	Gwen Ambler
Treasurer:	Kathy Hendrickson
Secretary:	Sandy Park
At-Large ExComm member:	Audrius Barzdukas

Committee Organization (closed session, Board only)

The Board discussed the current Board Committees and Task Forces and how to organize them and better-define their functions. Some changes were made, and each committee will produce a clear statement of purpose as well as a charter guiding 2012 work/projects as one of its first tasks (By February).

Standing Committees	Purpose	2012 Board members (Chairs in bold)
Executive	Front-line body to triage Board-level issues; regular meetings to monitor business as usual	President , VP, Treas., Secretary, At-large
Compensation	Oversee compensation and performance review of CEO	President , VP, Treasurer
Audit & Finance	Organization's financial affairs oversight: financial planning approach, budgeting, reserves (and something about other audit resp)	Kathy Hendrickson , Audrius Barzdukas, Ben Slade
Governance	Maintain and educate Board re: governance guidelines according to appropriate best-practices	Mandy Eckhoff & Colin (Co-chairs) , Sandy, Mike Kinsella
Nominating	Oversee composition of Board through annual election/appointment process	John Terry , Mike Kinsella
Marketing & Sponsorship	Develop overall marketing strategy to support Strategic Plan	Matt Farrell , Greg Downey, John Terry
Conduct	Uphold Conduct and Administrative Appeal Policies	Mike Kinsella , Mandy Eckhoff, additional member TBD
SOaR	Ensure consistency across Observer, Rules, and SOTG Comm	Colin McIntyre , Gwen Ambler (plus 3 subcommittee chairs)
International	Oversee strategic direction and execution of international prgms	Ben Slade

Board Task Forces	Purpose	2012 Board members (Chairs in bold)
Strategic Planning	Lead the 2013-2018 Strategic Plan process; full plan in place by the end of 2012	Mike Payne , Gwen Ambler, Matt Farrell

Non-Board Committees	Purpose	2012 Board Liaisons
Competition	Oversee Championship Series for all divisions	Ben Slade
Hall of Fame	Oversee Hall of Fame and execute annual process for selecting/inducting a new class	Gwen Ambler
Disc Standards	Oversee process for disc approvals at various levels	John Terry

Beach	Oversee the Beach division at USA Ultimate	Sandy Park
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- *President Mike Payne called full meeting to order, 10:10 a.m.*

Strategic Planning (continued from Saturday, 10-2pm)

- Worked on new Vision and Values for USA Ultimate, as well as 2013-2018 strategic plan.

Details on the Strategic Planning effort will be communicated in separate documents and news items on the USA Ultimate website.

No board votes were taken during this session.

Bylaws Session (including proposals to begin update of our bylaws)

- Board has goal of fully revising bylaws, to ensure they support current and future size and operations of USA Ultimate (current bylaws are old and have not been properly updated, and are not robust/streamlined enough to support our organization going forward)

Proposal 2012.01 – Alcohol and Drug Policy

Submitted by Mandy Eckhoff

Proposal: USA Ultimate is committed to creating and maintaining an environment that is free of alcohol and drug abuse and complies with state and federal laws governing alcoholic beverages. There are serious health risks and behavioral problems associated with the misuse of mood altering substances including alcohol and illegal drugs. The use of mood altering substances and/or participating under the influence of mood altering substances during an athletic event is potentially dangerous to all parties involved. The words “mood altering substance” shall include the following: alcohol, non-prescription controlled substances (including marijuana, hallucinogenic drugs, amphetamines, barbiturates, cocaine and its derivatives, narcotics, and any others controlled by legal authorities), and prescription medication used to an excess in violation of a doctor’s orders or to produce the state of intoxication in the participant.

Therefore, with the best interest of its participants in mind, USA Ultimate prohibits:

1. The use by any participant of mood altering substances during active participation in USA Ultimate official, sponsored, sanctioned or affiliated events;
2. The unlawful or unauthorized distribution of mood altering substances at USA Ultimate official, sponsored, sanctioned or affiliated events, including the distribution of alcohol to persons under the age of 21; and

3. The consumption of any mood altering substances, including alcohol, by any USA Ultimate player, member, organizer or coach of a team sponsored by USA Ultimate during any official team activity, which includes, but is not limited to receptions, dinners and special events organized by tournament directors; and
4. The marketing, providing, serving and selling of alcohol or other mood altering substances at USA Ultimate official, sponsored, sanctioned or affiliated events where all of the players are under 21 such as youth and high school tournaments.

“Participant” is defined to include players, coaches, officials and all persons involved in the conduct of a USA Ultimate official, sponsored, sanctioned or affiliated events.

A participant in violation of this policy during a USA Ultimate official, sponsored, sanctioned or affiliated events or during an official team activity shall be removed from the event and is not allowed to further participate in that event. Depending on the severity of the violation, additional penalties may be imposed.

USA Ultimate recommends that each and all of its teams, associations, and affiliates adopt reasonable regulations concerning the prohibition, consumption, use and abuse of mood altering substances and reasonable enforcement procedures in order to protect the health of our participants and the integrity of our programs and events.

<p><u>General Discussion Points:</u></p> <ul style="list-style-type: none"> • Playing while under the influence is simply unsafe. • No mood-altering substances allowed by any USA Ultimate player, member, organizer, or coach sponsored during any official team activity. • By setting out the policy in advance, you set the baseline and the expectation and avoid dealing with case-by-case decisions inconsistently. 	
<p><u>Pros Discussed:</u></p> <ul style="list-style-type: none"> • Playing while under the influence is not safe • A stronger policy empowers other persons at events to monitor behavior • Addresses liability for USA Ultimate • Helps the perception of Ultimate as sport versus a game. • Reactive vs. preventative 	<p><u>Cons Discussed:</u></p> <ul style="list-style-type: none"> • Difficult to enforce • Potentially in conflict with how Ultimate events are organized (i.e. tournament party)

Overall Rationale:

A vote was not taken and the topic was tabled. More research needs to be conducted. Proposal will be revised and re-submitted for summer Board meeting.

Proposal 2012.04 – Whistleblower

Submitted by Bylaws Policy & Refresh

No existing whistleblower policy

The Sarbanes-Oxley Act of 2002 makes it a federal crime for any organization — nonprofit and for-profit — to retaliate against a “whistleblower” who reports illegal or unacceptable activity. It also requires publicly traded companies to establish a confidential process for reporting misuse of the organization’s financial assets.

Proposed USA Ultimate Whistleblower Policy**Reporting Responsibility Generally**

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that USA Ultimate can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of USA Ultimate’s code of ethics or suspected violations of law or regulations that govern USA Ultimate’s operations.

Reporting

If person has a reasonable belief that an board member, officer, or employees of USA Ultimate has engaged in any action that violates any applicable law, or regulation, including those concerning accounting and auditing, or has taken any action that constitutes a fraudulent practice or violation of ethics, that person is expected to immediately report such information to the Chief Executive Officer. If the person does not feel comfortable reporting the information to the Chief Executive Officer, he or she is expected to report the information to the President of the Board of Directors. The person is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.

Acting in Good Faith

Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of law or regulations or an action that constitutes a fraudulent practice or violation of ethics. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Any person may report violations or suspected violations on a confidential basis. Reports of violations or suspected violations and the identity of the reporter will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation and comply with applicable legal requirements.

No Retaliation

It is contrary to the values of USA Ultimate for anyone to retaliate against any board member, officer, employee or volunteer who in good faith reports a suspected violation of law or regulations or action that constitutes a fraudulent practice or violation of ethics. As such, there shall be no retaliation against anyone who makes a report under this policy. This includes, but is not limited to, protection from retaliation in the form of an adverse action such as suspension, fines or threats of physical harm. Any person who believes he or she is being retaliated against must contact the Chair of the Finance and Audit Committee for USA Ultimate immediately.

Investigation

The Chair of the Finance and Audit Committee for USA Ultimate shall be the Compliance Officer for USA Ultimate and is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. The Compliance Officer will advise the Executive Director and the Board or Directors of all complaints and their resolution and will report at least annually to the Chair of the Finance Committee on compliance activity relating to accounting or alleged financial improprieties.

<p>General Discussion Points:</p> <ul style="list-style-type: none">• To allow people to report serious misbehavior without fearing retaliation.• Who is the compliance officer? Head of Audit?• Do we need some kind of external authority to include on this?• Does this apply only to conduct related to the organization?• Consistent with other organizations	
<p><u>Pros Discussed:</u></p> <ul style="list-style-type: none">• To allow people to report serious misbehavior without fearing retaliation.	<p><u>Cons Discussed:</u></p>
<p><u>Overall Rationale:</u> To allow people to report serious misbehavior without fearing retaliation.</p>	

Motion to approve proposal [2012.04]: Slade moves, seconded [name of seconder excluded – not significant]. **Proposal 2012.04 approved (12-0-0).**

Proposal 2012.06 – Document Retention and Management Policy

Submitted by Bylaws Policy & Refresh

USA Ultimate Document Retention and Management Policy

Section 1 – Purpose

The purposes of this document retention policy are for USA Ultimate (the “Organization”) to enhance compliance with the Sarbanes-Oxley Act, to promote the proper treatment of corporate records of the Organization, to ensure that the Organization manages data in an efficient and effective manner, maintains historical records related to its financial and administrative operations, and purges documents as part of its normal management process.

Section 2 – Policy

Section 2.1. General Guidelines. Records should not be kept if they are no longer needed for the operation of the Organization or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, the Organization may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents set forth below and any other pertinent factors.

Section 2.2. Exception for Litigation Relevant Documents. The Organization expects all officers, directors, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or the Organization informs you, that Organization records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. This exception supersedes any previously or subsequently established destruction schedule for those records.

Section 2.3. Electronic Documents. Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the below schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a regular basis.

Section 2.4. Document Drafts. Once a final copy of a document has been completed, the drafts may be recycled or deleted unless they are documents of legal significance such as a contract between the Organization and a third party or other documents that must be maintained to comply with applicable laws and regulations. For documents determined to be of legal significance, drafts containing comments shall be saved for a minimum of two (2) years and the drafts without comment may be destroyed once the final version is complete.

Section 2.5. Minimum Retention Period for Specific Categories of Documents. Below are the minimum retention periods for various categories of documents and records. This list and related time periods may be amended from time to time to maintain consistency with best practices and comply with legal requirements.

<u>Category</u>	<u>Document</u>	<u>Retention Period</u>
Corporate Records	Bylaws	Permanent
	Articles of Incorporation	Permanent
	Policies	Permanent
	Board and committee meeting agendas and minutes	Permanent
	Conflict of interest disclosure forms	4 Years
	Informal handwritten meeting notes (e.g., staff meetings)	2 years or longer if topics remain relevant
	Finance and Administration	Annual Audited Financial Statements
Budgets		7 years
Auditor Management Letters		Permanent
Journal Entries		Permanent
Check Registers and checks		7 years
Bank deposit slips		7 years
Bank statements		7 years
Charitable organization registration statements		7 years
Chart of accounts		7 years
Expense reports		7 years
General ledgers and journals (includes bank reconciliations, fund accounting by month, payouts allocations, securities lending, single fund allocation, trust statements)		7 years

	Accounts payable ledger	7 years
	Investment performance reports	7 years
	Investment consultant reports	7 years
	Investment manager correspondence	7 years
	Equipment files and maintenance records	7 years after disposition
	Contracts and agreements	7 years after all obligations end
	Investment manager contracts	7 years after all obligations end
	Sales records	5 years
	Petty cash vouchers	3 years
	Cash receipts	3 years
	Credit card receipts	3 years
	Correspondence — general	3 years
Insurance Records	Policies	Permanent
	Accident reports	7 years
	Fire inspection records	7 years
	Safety (OSHA) reports	7 years
	Claims (after settlement)	7 years
	Group disability records	7 years after end of benefits
Real Estate	Deeds	Permanent
	Leases (expired)	7 years after all obligations end
	Mortgages, security agreements	7 years after all obligations end
	Purchase agreements	7 years after disposition requirements

Tax	IRS application for tax exempt status, determination letter and related correspondence	Permanent
	State sales tax exemption letter	Permanent
	IRS Form 990s	Permanent
	Withholding tax statements	7 years
	Correspondence with legal counsel or accountants, not otherwise listed	7 years after return is filed
	Timecards	3 years
Communications and Marketing	One set of all communication documents kept on-site and one kept off-site	
	Press releases	Permanent
	Annual reports	Permanent (5 copies)
	Other publications	7 years
	Photos	7 years
	Press clippings	7 years
	Marketing and sales documents (excluding contracts and agreements)	3 years
Donor Services	Fund agreements (paper and digital copies)	Permanent
	Correspondence — acknowledgment of gifts and grant requests	Permanent
	Donor lists	7 years
	Donor acknowledgements	7 years
	Donor fund statements	Permanent
Community Philanthropy	Approved grants — all documentation supporting grant payment, including application/recommendation, due diligence, grant agreement letters, grant transmittal letters, and post-grant reporting information, if any	7 years after completion of funded program, or date of grant if general operating support
Payroll and Employment Tax Records	Payroll Records	Permanent

	State unemployment tax records	Permanent
	Earnings and garnishment records	7 years
	Payroll tax returns	7 years
	W-2 Statements	7 years
Employee Records	Employment and Termination Agreements	Permanent
	Retirement and pension plan documents	Permanent
	Records relating to employment, promotion, demotion or discharge	7 years after termination
	Accident reports and worker's compensation records	5 years
	Salary schedules	5 years
	Employment applications	3 years
	I-9 forms	3 years after termination
	Time cards	2 years
	Documents related to volunteers (applications, waivers, correspondence)	7 years
Membership Records	Membership lists	7 years after applicable year
	Membership records	7 years after membership expires

Section 2.6. Timing of Review, Responsible Party. Review and purging of documents may take place in an ongoing manner, but must occur at least once every two (2) years in even numbered years, and must follow the minimum retention requirements set forth above. The Manager of Administration of Finance shall be responsible for the ongoing process of identifying its records, which have met the required retention period, and overseeing their destruction.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

Section 2.7. Ongoing Compliance. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Organization and its employees and possible disciplinary action against responsible individuals. The Manager of Administration of

Finance and finance committee chair will periodically review these procedures with legal counsel and/or the Organization’s certified public accountant to ensure that they are in compliance with existing laws and regulations.

<p>General Discussion Points:</p> <ul style="list-style-type: none"> • Storage space is an issue, and this is focused on documents with legal ramifications, and not archival materials. • Scanning documents as a backup is important. • We should think about the archival stuff and its importance. 	
<u>Pros Discussed:</u>	<u>Cons Discussed:</u>
<p><u>Overall Rationale:</u> Scanning documents and creating electronic files of archived materials is important. All documents with legal ramification will be electronically stored and headquarters will keep hard copies.</p>	

Motion to approve proposal [2012.06]: John Terry, seconded [name of seconder excluded – not significant]. **Proposal 2012.06 approved (12-0-0).**

Bylaws Refresh

- Potential US Olympic Committee Recognition, and implications for bylaws re-write
 - Would require significant changes to the current Board structure.
 - WFDF is working to get international Olympic committee (IOC) recognition for WFDF. This would be a conditional recognition, which would last for a specific window of time.
 - Benefits of recognition
 - Once recognized, USAU can start to put the Olympic rings up and say that we are recognized. Because of our relationships, USAU can probably access some additional resources, available to “member groups.”
 - Could make a big difference in the sport’s image.
 - Significant updates to bylaws required.
 - 20% athlete representation on Board and Committees.
 - Binding arbitration
 - Granting sanctions for international amateur athletic competition
 - Requests to host an event with teams representing their countries or sponsor a team.
 - Grant unless decided by clear and convincing evidence.
 - Restricted amateur athletic competitions
 - Exclusive jurisdiction over competition restricted to a specific class of amateur athletes for the organizations that run those things.
- Membership section of bylaws – key things we need to decide to support bylaws re-write
 - Membership is required to participate in USAU events.

- Member voting rights.
- Process for rewriting the bylaws.
 - Proposal to, once a month, send out a section, review it, talk on the phone or video conference for an hour.
- Three calls/video conferences before next board meeting.
- *Audrius Bardzdukas departs at 2:30 p.m.*

Investment Outlook

- Review of proposed strategies and investments from recently-formed, permanent Investment Committee (overseen by Board Treasurer)
- Motion to approve the proposed investment strategy for the \$750k in operating reserves. Motion by Kathy Hendrickson, seconded. 11-0-0. Audrius absent.

Summer Board Meeting

- After 2012, all future summer board meetings will take place at the US Open.
- The January board meetings will no longer be held over the three day weekend since business can be accomplished within a two day period.

Beach

- Beach is an exciting opportunity.
- The Beach Committee will meet to discuss status and future now that it is housed under USA Ultimate
- The Board asks to hear a more robust long-term Beach plan at this summer's Board meeting.
- *Being no further business, President Mike Payne adjourned the meeting at 5:05 p.m.*