



Board of Directors' Governing Policies Manual

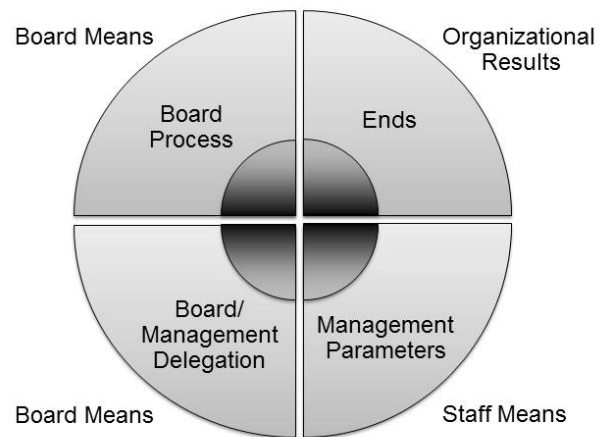


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Introduction

This Board of Directors' Governing Policies Manual (the "Governing Policies") contains the performance standards, values, and expectations of the Board of Directors (the "Board") of the USA Swimming Foundation (the "Foundation").

1. **Purpose:** The Governing Policies are designed to help the Board approach decisions from the perspective of its established standards, values, and expectations by:
 - A. Elevating efficiency of having all ongoing Board policies in one place.
 - B. Quickly orienting new Board members to current policies.
 - C. Eliminating redundant or conflicting policies.
 - D. Having greater ease of reviewing current Board policy when considering new issues.
 - E. Providing clear, proactive policies to guide the President & CEO (the "CEO") and staff, as well as Board officers, members, and committees.
2. **Consistency:** The Board will ensure that each policy in this document is consistent with the law, the Foundation Articles of Incorporation ("Articles of Incorporation"), and the Foundation Bylaws ("Bylaws"), all of which have precedence over these Governing Policies. The Board will also ensure that the Governing Policies, and organizational practices, are consistent with and do not contradict the Memorandum of Understanding ("MOU") between the Foundation and USA Swimming, Inc. ("USA Swimming"). Except for time-limited or procedural-only Board decisions (e.g., approving minutes, electing officers, etc.), which are recorded in Board meeting minutes, all standing Board policies shall be included or referred to in the Governing Policies. The CEO is responsible for developing operational and administrative policies and procedures that are consistent with the standards set forth in the Governing Policies.
3. **Transition:** Unless a prior Board resolution or contract obligates the organization regarding a specific matter, these Governing Policies supersede previous Board resolutions. If an actual or apparent conflict arises between the Governing Policies and other policies or Board resolutions, the matter shall be brought to the Board's attention for resolution.
4. **Changes:** The Board will regularly review the Governing Policies and, as appropriate, refine them. Proposed revisions may be submitted for Board consideration by any Board member or by the CEO. Whenever changes are adopted, the updated document should be dated and promptly disseminated to the Board and CEO.
5. **Specificity:** Each new policy will be drafted to fit into the appropriate section of the Governing Policies. For consistency, policies should be drafted starting with the broadest policy statement, then adding specificity to the level of detail at which the Board would accept any reasonable interpretation when delegating further decisions relevant to that policy topic (i.e., to the Board Chair, Board Committees, or the CEO).

Policy 1.0 Ends/Priority Results

Date of adoption / Last revision: *November 19, 2020*



1.0 Broadest/Purpose Statement:

USA Swimming Foundation exists for:
**Growth in Philanthropic Support for USA Swimming's
"Saving Lives" and "Building Champions" Initiatives**

(Priority Results: Not reflecting any order of priority)

1.1 There is growth in philanthropic support for the USA Swimming National Team

1.2 There is growth in philanthropic support to ensure swimming thrives in American communities.

- A. Current Priority: Member clubs have resources to continue service in the midst of the COVID-19 pandemic.
- B. There is support for swimming facilities and pools.
- C. There is growth in support for Community Swim Programs.
 - i. Priority: Supporting opportunities and access for participation by diverse/underserved populations in USA Swimming

1.3 There is growth in philanthropic support for Learn-to-Swim initiatives.

- A. Priority: Support for youth programs in diverse/underserved communities
- B. Future Priority: Growth in support for adult Learn-to-Swim programs

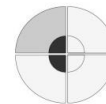
1.4 There is growth in the breadth/sources of support for the Foundation.

- A. Major Donors
- B. Annual Fund Support
- C. USA Swimming Alumni
- D. Other Partners/Supporters (e.g., other Foundations, Aquatics Coalition, Corporate Partners, etc.)
- E. U.S. Masters Swimming

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Policy 2.0 Governance Purpose

Date of adoption / Last revision: *February 6, 2024*



Board Process

As the governing body of the major philanthropic fundraising entity for USA Swimming, the purpose of the Board is to ensure that the Foundation:

1. Achieves appropriate results (as specified in Board Ends/Priority Results policies) at an optimal cost, and
2. Avoids unacceptable actions and situations.

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Policy 2.1 Governing Philosophy and Values

Date of Adoption / Last Revision: February 6, 2024



The Board will govern lawfully, and accordance with governance principles, with an emphasis on: (a) integrity and truthfulness in all its activities and practices, and (b) accountability for its performance as a fundraising board.

Accordingly:

1. The Board will cultivate a sense of group responsibility for its own performance.
2. The Board will use the expertise of its directors to enhance its understanding of issues, but will not simply defer to that expertise as the judgment of the entire Board.
3. The Board will set performance standards and expectations for the Foundation through the careful articulation of written policies.
4. The Board will establish and adhere to its own performance expectations pertaining to matters such as individual donations and fund procurement, attendance, meeting preparation and participation, policy-making, respect of roles, speaking with one voice, and continually building the Board's fund development capability and reputation.
 - A. Continual Board development will include periodic discussion of its own performance and orienting new Board members in the Board's processes and the Governing Policies upon appointment or election.
 - B. Orientation for new Board members will include three primary components:
 - i. Board process: The Board Chair will ensure provision of training including the governance principles underlying the Governing Policies, and review of the Bylaws, the MOU with USA Swimming, and these policies, with particular emphasis on the *Board Members' Code of Conduct* and *Board Members' Individual Responsibilities* policies.
 - ii. Current initiatives: The Board Chair and the CEO will provide overview and background information on fundraising initiatives being undertaken by the Board.
 - iii. Operational overview: The CEO will help new Board members achieve a general understanding of the Foundation's operating organization (financials, key personnel, key programs, FAQs, etc.).
5. Although the Board may change the Governing Policies at any time, it will diligently observe those currently in effect.
6. All policies of the Board are contained in the Governing Policies, and they remain in effect, unless amended or deleted by Board action.
7. The Board will be accountable to USA Swimming for competent, conscientious, and effective fulfillment of its commitments. The Board will not allow any officer, individual, or Board Committee to be an obstacle to this commitment.
8. Periodic self-assessment will compare Foundation Board activity and discipline to the standards set forth in Policies 2.0 through 2.10 ("*Board Process Policies*") and Policies 4.0 through 4.5 ("*Board-Management Delegation Policies*").

Policy 2.2 Board Objectives

Date of adoption / Last revision: February 6, 2024



On behalf of USA Swimming, the Board's role is to define and ensure appropriate Foundation performance.

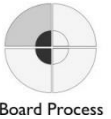
To distinguish the Board's own role from those of the CEO and staff, the Board will concentrate its efforts on three primary products or outputs:

1. **Connection with USA Swimming:** The Board will connect the interests of USA Swimming with operational performance.
2. **Performance Standards:** The Board will maintain written performance standards, as set forth in the Governing Policies, addressing the broadest, and as appropriate, more defined levels of all organizational decisions and situations.
 - A. **Ends:** Strategic results priorities describing intended organizational impacts, benefits, outcomes, recipients, and their relative worth (what results, for which recipients, at what cost/priority).
 - B. **Management Parameters:** Constraints on executive authority defining the boundaries of prudence and ethics within which all management activity and decisions must take place.
 - C. **Board Process:** Specification of how the Board defines, carries out, and assesses its own work.
 - D. **Board/Management Delegation:** Specification of how the Board delegates authority to management and ensures its proper use; the CEO role, authority, and accountability.
3. **Assurance of Organizational Performance:** The Board will ensure Ends fulfillment, financial solvency, and organizational integrity by holding itself accountable for effective governance as defined in the Governing Policies, and holding the CEO accountable for successful achievement of Ends and adherence to Management Parameters.
4. In addition, the Board maintains responsibility for decisions outside the boundaries of authority delegated to the CEO (as proscribed in the *Management Parameters* policies).

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Policy 2.3 Board Work Plan and Agenda Preparation

Date of adoption / Last revision: February 6, 2024



To fulfill its role, the Board will prepare and follow an annual work plan that: (1) re-explores Ends/Priority Results Policies and (2) continually improves Board performance through Board education and interactions with staff, beneficiaries, and outside experts.

Accordingly:

1. **Annual Cycle:** The Board's annual planning cycle will conclude at its last regularly scheduled meeting of each calendar year, so that administrative planning and budgeting for the next fiscal year can be focused on addressing both long and short-term Ends.
2. **Work Plan Development:** At the last meeting of the calendar year, the Chair will present for the Board's consideration and approval a suggested work plan for the following year's meetings. Considerations should include:
 - A. **Board Education:** Identification of topics that will elevate the Board's competencies, primarily of fundraising trends and opportunities, and to a lesser extent, key areas of operations and governance training.
 - B. **Orientation/Training for New Board Members:** Per Policy 2.1.4, to include review of the Foundation's governance system and documents, overview of current fundraising initiatives, and operational overview.
 - C. **Linkage with USA Swimming:** How the Board will connect with USA Swimming's volunteer leadership to strengthen/maintain the sense of partnership between the entities.
 - D. **Policy Review:** How the Board will periodically review its Governing Policies, with emphasis on Ends, over the course of the year/quadrennium (e.g., by priority, by topic, or by emphasis of the Board's choosing).
 - E. **CEO Performance Feedback:** Reviewing the schedule of planned monitoring activities to assure performance on Ends and Management Parameters policies.
 - F. **Board Self-Assessment:** Methods and timeline for periodic evaluation of how well the Board is fulfilling its role (i.e., in accordance with its *Board Process Policies* and *Board/Management Delegation Policies*) and open discussion of how the Board's performance can be improved.
 - G. **Meeting Schedule/Locations:** Confirmation of the meeting schedule for the coming year to maximize Board member attendance and participation.
 - H. **Social Engagement:** To build its effectiveness as a leadership team, the Board will include periodic team building activities in conjunction with its meetings.
3. **Meeting Agendas:** The Chair will determine the agenda for each Board meeting, although Board members and the CEO may request or recommend any appropriate matters for Board consideration.
 - A. A Board member or the CEO may recommend or request a matter for Board discussion by submitting the item to the Chair at least fourteen (14) days prior to the regularly scheduled Board meeting.
 - B. To ensure Board member preparation and informed participation, meeting agendas and packets (background materials for decision items on the agenda, monitoring reports, etc.) are to be received by Board members at least seven (7) days prior to the scheduled Board meeting.
 - C. Additional matters may be added to the agenda of any regularly scheduled Board meeting by the Board Chair and/or the CEO, or by affirmative vote of a majority of those present.
4. **CEO Performance Monitoring:** The Board will act on the CEO's monitoring reports received prior to the meeting, determining by majority vote whether each respective report:
 - A. Conveys a reasonable interpretation of the respective policy's provision(s).
 - B. Provides reasonable substantiation of compliance with the policy provision(s), as interpreted.

Policy 2.3 Board Work Plan and Agenda Preparation (continued)

Date of adoption / Last revision: *February 6, 2024*



5. **CEO Performance Feedback:** Should the Foundation Board have concerns with regard to the performance of the CEO, such concerns should first be conveyed formally to the CEO. If the concerns are not constructively addressed in a reasonable amount of time, the Foundation Board's concerns shall then be conveyed in writing to the Board Chair of USA Swimming.
6. **Closed Sessions:** The Board may convene in executive/closed session whenever it deems, by majority vote, to be in the best interest of the organization, and will be attended only by Board members and others specifically invited by the Board Chair or, by majority vote, the Board. Board members, staff, and other persons present shall not discuss or disclose executive/closed session proceedings outside of the executive/closed session without prior authorization of the Board. High-level topics discussed in closed session are to be reflected in meeting minutes.

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Policy 2.4 Board Chair's Role and Authority

Date of adoption / Last revision: February 6, 2024



As the Foundation's chief governance officer, the Chair's primary role is to be the presiding officer, ensuring the integrity of the Board's process. The Chair also represents the Board to outside parties.

Accordingly:

1. The Chair's job is to ensure that the Board acts in a manner consistent with its policies and any requirements legitimately imposed upon it from outside the organization.
 - A. Agenda content will include only those issues that clearly (according to Board policy) belong to the Board to decide, consider, or to monitor, or to otherwise inform/educate the Board so it can best fulfill its responsibilities.
 - B. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
2. The Chair is authorized to make decisions consistent with the *Board Process* and *Board-Management Delegation* policies, except for (a) employment/termination of the CEO, or (b) decisions pertaining to matters about which the Board has specifically delegated portions of its authority to others. The Chair may use any reasonable interpretation of these policies.
 - A. The Chair is empowered to preside at Board meetings with the commonly accepted power of that position, such as ruling and recognizing.
 - B. The Chair has no authority to make decisions within the Board's Ends/Priority Results Policies and Management Parameters Policies areas. Therefore, as the CEO is accountable to the Board as a whole, the Chair does not have authority to supervise or direct the CEO.
 - C. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to the Chair.
 - i. The Chair may delegate this authority but remains accountable for its use.
 - D. Except where specified otherwise in Bylaws or Governing Policies, the Chair may appoint Board members or others, as appropriate, to serve on Board committees.
3. The Chair will lead and participate in the Board's assessment of its own performance.

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Policy 2.5 Board Members' Code of Conduct

Date of adoption / Last revision: February 6, 2024



The Board expects of itself and its members ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

1. **Duty of Care:** Board members are to discharge their duties honestly and in good faith. Board members shall exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in similar circumstances.
2. **Duty of Obedience:** Board members must abide by the Foundation's governing documents (i.e. Articles of Incorporation, Bylaws, and these Governing Policies). While vigorous debate is expected and encouraged, Board members are obliged to support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.
3. **Duty of Loyalty:** Board members must demonstrate loyalty to the interests of the Foundation and USA Swimming, superseding any conflicting loyalties such as that to segments of USA Swimming's membership, family members, advocacy or interest groups, affiliated entities, staff, other organizations, or any personal interests as a consumer of the organization's services.
4. **Conflict of Interest Avoidance:** Board members must avoid any conflict of interest with respect to their fiduciary responsibility and abide by the USA Swimming Foundation Statement of Principles on Ethical Behavior and Conflict of Interest. (See Appendix C)
5. **Lack of Authority as Individuals:** Board members must not attempt to exercise individual authority over the organization.
 - A. Board members' interactions with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly stipulated by the Board.
 - B. Board members' interaction with the media, public, or other entities must recognize that Board members are not to speak for the CEO, the Board, the Foundation, or USA Swimming, except to repeat explicitly stated Board decisions.
 - C. Board members will not publicly express individual judgments of the performance of the CEO or of other employees, other than when participating in the Board's monitoring functions.
6. **General Conduct:** Board members will treat one another and staff members with respect, courtesy, and honesty.
7. **Confidentiality:** Board members must respect the confidentiality appropriate to issues of a sensitive nature.
8. **Obligation to Address Concerns:** A Board member aware of credible information that suggests that a Board policy has been violated, by the Board, a Board member, or the CEO, has an affirmative obligation to bring the concern to the Board Chair. If the Chair is the subject of the concern, it should be brought to the Vice-Chair. If the CEO or a staff member is the subject of the concern, the Board will refer to its process for *Monitoring CEO Performance* (Policy 4.4)
9. **Process to Address Concerns:** If a Board member is alleged to have violated the Governing Policies.
 - A. The Chair (or Vice-Chair, if the Chair is the subject of the concern) will have an informal discussion with the individual whose action(s) are questioned. If this is not successful in resolving the concern, then:
 - B. The Chair will put the issue on the agenda for executive session. The respondent Board member will be allowed to present his or her views prior to the Board determining whether or not the action violated this Code of Conduct.
 - C. A Board Member found by the Board (by majority vote) to have violated these Governing Policies may be subject to subsequent censure or other Board action, as long as consistent with the Bylaws.

Policy 2.6 Board Members' Individual Responsibilities

Date of adoption / Last revision: February 6, 2024



Board member engagement and participation is integral to the Foundation's success. Therefore, each Board member is expected to fulfill the following responsibilities:

1. **Commitment:** Board members are expected to, upon appointment to the Board and annually (*in January*) sign a Letter of Commitment indicating that they have reviewed and commit to abide by the Bylaws and these Governing Policies, as may be amended from time to time.
2. **Attendance:** Board members are expected to attend Board meetings on a regular and punctual basis, and attend the annual Board planning session (expected to be in Q3 of each calendar year).
3. **Preparation and Participation:** Board members are expected to review agenda materials in advance of Board and committee meetings and to participate productively in discussions.
4. **Responsiveness:** Board members will be attentive to Board communications and respond promptly to staff and Board member requests for feedback.
5. **Ambassadorship:** Board members will actively represent the Foundation and USA Swimming to stakeholders, championing its mission and vision to both external and internal audiences.
6. **Members as Individuals:** The CEO is accountable to the Board as a whole and not to individual Board members. Therefore, the relationship between the CEO and individual members of the Board, including the Chair, is collegial and not hierarchical.
7. **Volunteerism:** Board members may individually volunteer in operational capacities (e.g. coordinating or assisting at Foundation events). In such situations, they are subject to the direct supervision of the CEO or responsible staff person.
8. **Contributions:**
 - A. Each Board member is expected to make an annual personal gift of at least \$5,000 (exemption: \$1,000 for athlete members or others under age 35), and to procure other contributions, with a targeted combined annual total of at least* \$25,000. This target "get" can be achieved through personal giving, corporate donations, donor introductions, solicitation of items sold at the Golden Goggle Awards Silent Auction, purchase of same, etc. * *Exceptions may be made by the Board.*
 - B. Recognizing that Board members have differing personal financial capacities and preferences as to how to raise funds, each Board member will meet individually with the staff liaison to establish their "individual development plan" – identifying how they will engage in and support, and be supported by, staff's fundraising activities in the new fiscal year.
 - C. If a board member takes part in the following opportunities, he or she will receive "credit" for the resulting contributions:
 - Makes a personal donation to the Foundation (all dollars personally donated/matched)
 - Facilitates a corporate gift or grant to the Foundation
 - Donates an auction item that receives a winning bid (the full winning bid amount will be "credited")
 - Wins an auction item at the Golden Goggle Awards (the full winning bid amount will be "credited")
 - Hosts an event that secures donations (gross donations will be totaled and "credited")
 - Spearheads a donation campaign (this could include Facebook fundraisers, Crowdrise pledges, etc.)
 - Brings a paid guest to events such as the Golden Goggle Awards or Performance Camp (the full "ticket" cost of the guest(s) will be "credited")
 - Attends events such as the Performance Camp, etc. (the full "ticket" cost will be "credited")

Policy 2.6 Board Members' Individual Responsibilities (continued)

Date of adoption / Last revision: February 6, 2024



D. Actions that are exempt from receiving credit include:

- Attending events (e.g., the Golden Goggle Awards) in which his or her seat is comped
- Paying for his or her own travel to such events

9. Participation in Organizational Activities:

A. In addition to attending Board meetings, Board members are expected to:

- i. Attend the Golden Goggles Awards.
- ii. Support fundraising activities by participating in some or all of the following, as part of the personal fundraising plan:
 - Facilitate "friends and family" personal introduction with Foundation staffGain/increase support the Foundation receives from the Board member's place of business
 - Bring friends, family, or business associates to Foundation-supported events
 - Set up meetings to introduce Foundation staff to executives at targeted corporations and/or foundations
 - Support the Foundation's major gift initiatives by helping to identify prospects and to solicit major gifts (e.g. joining the Trustees Council, planned giving, etc.)
 - Solicit corporate sponsors and/or auction packages for the Golden Goggles Awards

B. Board members are also encouraged to:

- i. Attend a USA Swimming national competition event

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Policy 2.7 Board Committee Principles

Date of adoption / Last revision: *February 6, 2024*



Board Committees may be established to help the Board be more effective and/or efficient in its work. Board committees are not to interfere with the Board's delegation of authority to the CEO or the CEO's to other staff.

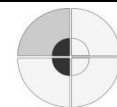
Accordingly:

1. Board committees are to help the Board do its job, not to help, advise, or exercise authority over staff.
2. Board committees will ordinarily undertake activities not delegated to the CEO such as by preparing policy alternatives and implications for Board consideration or performing specific monitoring functions.
3. Board committees may only speak or act for the Board when formally given such authority for specific and/or time-limited purposes. Expectations and authority will be carefully stated in the *Board Committee Structure* policy in order not to conflict with authority delegated to the CEO.
4. As the CEO works for the full Board, he or she will not be required to seek approval of a Board Committee before taking action.
5. This Policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether it includes Board members. This policy does not apply to committees formed under the authority of the CEO. Task forces may be established by the Board or the Chair.
6. Unless specifically authorized by the Board, a Board Committee may not make any commitment of organizational resources or funds.

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Policy 2.8 Board Committee Structure

Date of adoption / Last revision: February 6, 2024



Board Process

Board Committees are those established by and with authority emanating from the Board, regardless of whether composition includes non-Board members. The only Board Committees are those set forth below. Unless otherwise specified, the CEO, or his/her staff designee, will serve as a resource (non-voting member/liason) for each Board Committee.

1. Nominating Committee

- A. **Deliverable #1:** Fulfillment of Nominations process, as stipulated in the Bylaws, and the *Board Nominations and Election Policy*.
- B. **Authority:** To incur costs as budgeted and management time as needed.
- C. **Composition:** Three Board members, including a Committee Chair, appointed by the Board Chair no later than the Q4 Board meeting each year for terms beginning January 1 of the following year.¹ No Board member may serve on the Nominating Committee during a year in which they are up for re-election to the Board. Terms are 2 years, staggered so that at least one Committee member is appointed each year.

2. Investment Committee

(NOTE: The Foundation Board's Investment Policy is managed and governed by the organizations' Investment Committee. USA Swimming and USA Swimming Foundation share an Investment Committee that oversees and works with the selected Investment Advisor to execute the organizations' investment policies.)

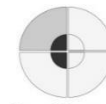
- A. **Deliverable #1:** Conducts quarterly performance review of the Foundation's portfolios, as reported to the Investment Committee by the Investment Advisor.
Deliverable #2: Recommends revisions to the Foundation Board concerning the entity's Investment Policy. (See Appendix B).
Deliverable #3: Oversees and conducts periodic reporting to the Foundation Board regarding the performance of the investment portfolio, per the Investment Policy.
Deliverable #4: Makes recommendations for the selection and retention of the Investment Advisor(s) to the Foundation Board.
- B. **Authority:** To incur costs as budgeted and management time as needed.
- C. **Composition:** As outlined in the USA Swimming Bylaws.

3. Audit Committee

(Note: Both a consolidated (USA Swimming/Foundation combined) and Foundation standalone audits are conducted each year. The Foundation and USA Swimming share an Audit Committee.)

- A. **Deliverable #1:** Confirms auditor's independence and recommends to the Board the engagement of an auditor by no later than end of February each year.
Deliverable #2: Annually specifies the audit scope, consistent with Policy 4.4 *Monitoring CEO Performance*, including approval of any permitted non-audit services to be provided by the independent auditor.
Deliverable #3: Assures that the auditor has unfettered access to organizational management and records.
Deliverable #4: Reviews with the independent auditor any problems encountered when performing the audit, the audited financial statements, and any management letter provided by the auditor.
Deliverable #5: Recommends for Board consideration any revisions to the Board's fiscal policies.

¹ Note that for the 2024 Nominating Committee and the Strategic Planning Committee, the Board Chair will appoint Committee members by the 2024 Q2 meeting.



Board Process

Policy 2.8 Board Committee Structure (continued)

Deliverable #6: Reviews the annual Form 990 prior to distribution to Board and subsequent submission to the IRS.

Deliverable #7: Reviews and accepts the annual Audit Report and makes recommendations for the Board to accept the audit report prior to the distribution to the Board.

Deliverable #8: “Direct Inspection” (internal audit) monitoring of compliance with the Board’s fiscal policies (Financial Condition, Asset Protection, Budget, Compensation and Benefits), as directed/scheduled by the Board per policy 4.4 *Monitoring CEO Performance*.

- B. **Authority:** Directs work of outside auditors, to use management time as needed for administrative support, and to incur costs as budgeted for all matters related to the audit. No member of the Audit Committee shall have check signing authority for USA Swimming or the Foundation.
- C. **Composition:** As outlined in the USA Swimming Bylaws.

4. Strategic Planning Committee

- A. **Deliverable #1:** Establish long-term strategy and objectives for the Foundation in line with the Foundation’s mission, vision, and priorities.

Deliverable #2: Review strategic plan to confirm alignment with Foundation’s mission, vision, and priorities; assess need for changes for the upcoming year.

Deliverable #3: Liaise with the USA Swimming Board to ensure consistency with USA Swimming’s long-term strategic plans.

Deliverable #4: Present status of strategic planning and implementation at the Q3 Board meeting.

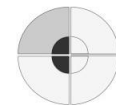
- B. **Authority:** To develop long-term goals for the Foundation
- C. **Composition:** At least four but no more than five Board members, including a Committee Chair appointed by the Board Chair with support from the USA Swimming development staff including one athlete member of the Board and the Board Vice Chair no later than the Q4 Board meeting each year with terms beginning January 1 of the following year.² Terms are 2 years, staggered so that at least one Committee member is appointed each year.

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² Note that for the 2024 Nominating Committee and the Strategic Planning Committee, the Board Chair will appoint Committee members by the 2024 Q2 meeting.

Policy 2.9 Board Nominations and Elections

Date of adoption / Last revision: February 6, 2024



Board Process

The Board shall ensure that the nominations and elections process is administered in accordance with the Bylaws and the following policies.

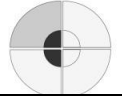
1. **Board Size:** Per the Bylaws, the Board may include up to 21 voting members. The Board will determine, by September each year, its desired level of incremental growth.
2. **Nominating Criteria:** No later than the Q2 Board meeting of each year, the Board will consider its needs for certain skills and/or relationships and will identify and provide a “charge” to the Nominating Committee that specifies what would constitute “ideal candidates” to complement and augment the composition of the incumbent Board in the upcoming nominations/election cycle.
3. **Call for Nominations:** The Nominating Committee shall issue a Call for Nominations. Applicants may self-nominate or be nominated by a third party with written consent of the applicant. No nominee may be ultimately placed on the final ballot if they have not gone through this application process, as well as the interview process described below. The Call for Nominations shall convey the number of Board seats to be elected at the Q4 Board meeting and shall include:
 - a. The deadline by which applications must be submitted, no later than October 1 of each year.
 - b. Then-current Board policies on *Board Members’ Code of Conduct* and *Board Members’ Individual Responsibilities*, highlighting expectations regarding:
 - i. Board meeting attendance
 - ii. Fundraising
 - c. An application form addressing prospective nominee’s qualifications, skills, and reason(s) for interest in serving on the Board. A social media review consent will be included in the application and must be signed by all applicants.
 - d. A Letter of Commitment, which states that no nominee shall be eligible for election unless they have signed a written commitment to adhere to the Articles of Incorporation, Bylaws, future Board resolutions, these Governing Policies, and the USA Swimming Rules and Regulations, including the USA Swimming Code of Conduct, then in effect. The Call for Nominations will include the date by which the signed letter must be received, prior to any nominee being placed on the ballot.
 - e. A Conflict of Interest form that must be completed by all applicants.
4. **Recruitment:** From May to August of each year, the Nominating Committee will ask Board members, Trustees, and other key Foundation supporters/constituents to suggest individuals for consideration.
5. **Vetting:**
 - a. Good Standing: Nominees must be members of USA Swimming in good standing by the nomination deadline, throughout the nomination and election process, and during their entire service on the Board, if elected.
 - b. Interviews: The interviews will commence following the nomination deadline. At least two member of the Nominating Committee will interview prospective candidates, seeking to identify the extent to which they fulfill “ideal candidate” criteria, to include:
 - i. Demonstrated commitment to the sport and/or specific components of the Saving Lives, Building Champions, and Impacting Communities mission
 - ii. Willingness to commit to personal contributions and “give/get” targets to at least the minimum level established by the Board
 - iii. Clarity as to their motivations to commit their time, name, and contacts to support USA Swimming/Foundation
 - iv. Experience as an active participant and/or leader of major fundraising initiatives (e.g. fundraising boards, capital campaigns, etc.)

The interviews will be recorded and all members of the Nominating Committee will review each interview.

6. **Selection of Nominees:** The Nominating Committee will convene to discuss the interviews/qualifications of all nominees who completed the vetting process and will select those they wish to propose for Board election to serve, effective January 1st of the following year. The Nominating Committee will recommend one nominee for each open seat. This process will be completed no fewer than 4 weeks prior to the Q4 Board meeting. Such nominees will be invited to attend the Q4 Board meeting. Their credentials and candidacies will be proposed for Board action at the Q4 Board meeting.
7. **Election:** At the Q4 Board meeting, the Board shall act on the Nominating Committee's recommendations.
 - a. The Board shall approve the Nominating Committee's nominations for new Board members as a single slate.
 - b. The approved slate will be subject to appointment by the USA Swimming Board, per the Bylaws.
 - c. Should the slate not be approved, nominations for the respective positions will be opened to the floor of that Board meeting for individual election of those on the approved slate. Any un-elected seats will remain vacant until the next year's election cycle.
8. **Trustee Representative:** The Trustee Representative shall serve as a voting director through January 1, 2026, per the Bylaws.

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Policy 2.10 Budgeting for Board Prerogatives



Board Process

Date of adoption / Last revision: *February 6, 2024*

The Board will consciously invest in its ability to govern effectively.

Accordingly:

1. The Board will allocate resources to ensure that it has sufficient skills, methods, and supports, to assure excellence in its leadership and productivity.
 - A. Training will be used appropriately to orient new Board members and to increase existing Board members' skills and knowledge.
 - B. Outside monitoring, including fiscal audit, will be arranged as needed to help the Board have confidence that organizational performance meets expectations, as stated in these Governing Policies. This includes, but is not limited to, audits, reviews, or opinions on fiscal, legal, or governance matters.
2. Costs will be prudently incurred, but sufficient to ensure the development and provision of superior governance. Annual governance prerogatives to be considered include costs for:
 - A. Board meetings (including Board member travel).
 - B. Board member reimbursements for authorized attendance at conferences, workshops, etc.
 - C. Board training (governance consulting, publications, etc.).
 - D. Fiscal audit and other third-party monitoring of organizational performance.
 - E. Board committee functions (other than the audit outlined in Policy 2(D) above).
 - F. Board meeting technology/software platform.
3. The Board will establish its budget for these prerogatives in the next fiscal year during the Board meeting normally held in September, so that it may be incorporated into the overall Foundation budget prepared by staff for presentation to the Board in November.

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Policy 3.0 General Management Constraint

Date of adoption / Last revision: *February 6, 2024*



Management Parameters

The CEO will not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, in violation of commonly accepted business and professional ethics and practices, or inconsistent with the MOU between the Foundation and USA Swimming.

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Policy 3.1 Treatment of Donors and Constituents

Date of adoption / Last revision: *February 6, 2024*



Management Parameters

With respect to interactions with constituents (including but not limited to donors, prospective donors, sponsors, and participants in Foundation or Foundation-supported functions), the CEO will not cause or allow conditions or procedures which are unfair, unsafe, untimely, unresponsive, or undignified, or which fail to provide appropriate confidentiality.

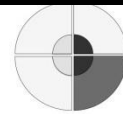
Further, the CEO will not:

1. Operate without adhering to a Gift Acceptance Policy, reflecting best practices in the foundation/philanthropic sector, that outlines the Foundation's responsibilities to donors and guides Foundation staff and volunteers in cultivating and accepting gifts.

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Policy 3.2 Financial Condition and Activities

Date of adoption / Last revision: February 6, 2024



Management Parameters

With respect to the Foundation's financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from the Board's Ends priorities.

Further, the CEO will not:

1. Manage finances without adherence to applicable Generally Accepted Accounting Principles as promulgated by the Financial Accounting Standards Board.
2. Expend more funds than have been projected to be received in the fiscal year, except up to the amount of any Board-approved operating deficit for such fiscal year.
3. Allow cash and cash equivalents to drop below that amount necessary to meet operating expenditures over a 30-day period.
4. Borrow funds (with exception of credit cards used for normal business purposes paid in full each month).
5. Use Board-designated funds except for the purpose stipulated.
6. Operate without settling payroll obligations and payables in a timely manner.
7. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
8. Execute a purchase commitment, check, or electronic funds transfer for greater than \$50,000 unless such purchase was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders to avoid this limit is not acceptable.
9. Acquire, encumber, lease, or dispose of real property.
10. Operate without aggressively pursuing material receivables after a reasonable grace period.
11. Operate without adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.
 - A. Operate without clearly delineated procedures and limitations for payment/reimbursement of authorized expenses incurred by board members and committee members, and others who are entitled to reimbursement from USA Swimming.
 - B. CEO credit card statements and/or expense reimbursements for Foundation expenses must be reviewed and authorized for payment by the Foundation Treasurer. CEO credit card statements must be reviewed and approved within 30 days of payment.

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Policy 3.3 Asset Protection

Date of adoption / Last revision: February 6, 2024



Management Parameters

The CEO will not cause or allow Foundation's assets to be unprotected, inadequately maintained, or unnecessarily risked.

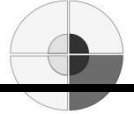
Further, the CEO will not:

1. Allow the Foundation to be without sufficient insurance coverage, including:
 - A. Casualty losses and property losses to at least replacement value.
 - B. Liability losses to Board members, staff, and the organization itself, in an amount equal to or greater than the average for comparable organizations.
 - C. Employee theft and dishonesty.
 - D. Cyber-security.
2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
3. Operate without employing risk management practices to minimize exposure of the Foundation, the Board, staff, or their agents to claims of liability.
4. Allow procurements without reasonable protection against conflicts of interest.
5. Allow a purchase of any material amount without having compared prices and quality.
6. Allow the Foundation's intellectual property, information, resources, and files to be exposed to loss, improper access, misuse, or significant damage.
7. Operate without adhering to a Records Retention Schedule, approved by the USA Swimming's Secretary & General Counsel, for the maintenance of documents and records.
8. Operate without internal controls over receipts and disbursements, and to prevent dissipation of assets, sufficient to meet the Board-appointed auditor's recommendations (as set forth in the auditor's Management Letter and/or other communications).
9. Compromise the independence and transparency of the Board's relationships with auditors or other providers of governance support. Such entities may not be engaged by the CEO unless explicitly Board authorized.
10. Invest operating capital or reserve funds in a manner inconsistent with the Investment Policy.
11. Endanger the Foundation's public image or credibility.
12. Substantially alter the Foundation's corporate identity.

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Policy 3.4 Financial Planning and Budgeting

Date of adoption / Last revision: *February 6, 2024*



Management Parameters

Financial planning for any fiscal year, the remaining part of any fiscal year, or any quadrennial cycle will not deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to address multi-year planning needs and considerations.

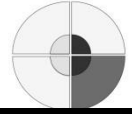
Accordingly, the CEO will not allow budgeting that:

1. Risks incurring those liquidity situations or conditions described as unacceptable in the Financial Conditions and Activities Policy.
2. Omits credible projection of revenues and expenses, separation of capital and operational items, and disclosure of planning assumptions.
3. Omits allocation for Board activities per the Budgeting for Board Functions Policy .

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Policy 3.5 Board Awareness and Support

Date of adoption / Last revision: February 6, 2024



Management Parameters

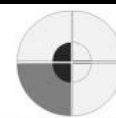
The CEO will not cause or allow the Board to be uninformed or unsupported in its work. The CEO will not:

1. Withhold, impede, or confound information necessary for the Board's informed accomplishment of its job.
The CEO will not:
 - A. Neglect to submit monitoring reports (including the CEO's policy interpretations, as well as compliance data) required by the Board (see *Monitoring CEO Performance Policy*) in a timely, accurate, and understandable fashion.
 - B. Let the Board be unaware of any actual or anticipated noncompliance with any *Ends/Priority Results or Management Parameters Policy*, regardless of the monitoring schedule set forth by the Board.
 - C. Let the Board be without objective background/decision information it periodically requests, or unaware of relevant trends or incidental information (e.g., anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal/organizational changes). Notification of planned internal changes is to be provided in advance, when feasible.
 - D. Let the Board be unaware of any Board or Board member actions that, in the CEO's opinion, are not consistent with the *Board Process and Board-Management Delegation Policies*, particularly in the case of Board or Board member behavior that is detrimental to the working relationship between the Board and the CEO.
 - E. Present information in unnecessarily complex or lengthy form or without differentiating among three types of written communications: 1) monitoring, 2) decision preparation or "action item"; and 3) incidental/FYI.
2. Allow the Board to be without logistical and administrative support for official Board, officer, or committee communications and functions.
3. Deal with the Board in a way that favors or privileges certain Board members over others except when:
 - A. Fulfilling individual requests for information, or
 - B. Responding to officers or committees duly charged by the Board.

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Policy 4.0 Board/Management Connection

Date of adoption / Last revision: *February 6, 2024*



Board/Management Delegation

The Board's official connection to the operating organization, its achievements and conduct is through its CEO.

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Policy 4.1 Unity of Control

Date of adoption / Last revision: *M*February 6, 2024



Board/Management Delegation

The Board acts with one voice in establishing expectations of the CEO.

Accordingly:

1. No Board member, officer, or committee has authority over the CEO, or any member of the CEO's staff, except in rare instances when the person or committee has been explicitly authorized to direct or use staff resources for a specific issue.
2. Board members or committees may request information, but if such request, in the CEO's judgment, requires a material amount of staff time or funds or is disruptive, it may be declined. The committee or Board member may then refer the request to the full Board for consideration.

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Policy 4.2 Accountability of the CEO

Date of adoption / Last revision: *May 1, 2020*



Board/Management Delegation

All Board authority delegated to management is delegated through the CEO. Therefore, the authority and accountability of staff, as far as the Board is concerned, is the authority and accountability of the CEO.

Accordingly:

1. The Board will not give instructions to any staff other than the CEO (without consent of the CEO).
2. The Board will not evaluate, either formally or informally, any staff other than the CEO.
3. The Board will monitor CEO performance with regard to organizational achievement of Ends and compliance with Management Parameters.

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Policy 4.3 Delegation to the CEO

Date of adoption / Last revision: February 6, 2024



Board/Management Delegation

The Board will direct the CEO through written policies setting forth the organizational Ends to be achieved and organizational situations/actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

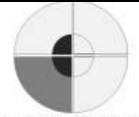
Accordingly:

1. *Ends/Priority Results* Policies direct the CEO to achieve certain results for or on behalf of the Foundation at a specified worth or priority. These policies will be systematically developed from the broadest, most general level, to more defined levels.
2. *Management Parameters* Policies define the boundaries of legality, prudence, and ethics within which the CEO is free to operate. These policies describe the practices, activities, decisions, and circumstances that would be unacceptable to the Board, even if effective in producing the desired results. Management Parameters will also be systematically developed from the broadest, most general level to more defined levels. To ensure accountability for performance, the Board will not prescribe organizational means delegated to the CEO.
3. An Ends or Management Parameters policy at a given level does not limit the scope of any preceding level.
4. The CEO is authorized to establish further policies, make decisions, take actions, establish practices, and develop activities as long as they are consistent with any reasonable interpretation of *Ends/Priority Results* and *Management Parameters* Policies.
5. The Board may change its *Ends/Priority Results* and *Management Parameters* Policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice and authority given to the CEO. However, as long as any particular policy delegation is in place, the Board will respect and support decisions made by the CEO that are consistent with reasonably interpreted Board policy.

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Policy 4.4 Monitoring CEO Performance

Date of adoption / Last revision: February 6, 2024



Board/Management Delegation

To ensure fulfillment of its fiduciary obligations, the Board will systematically monitor CEO job performance, determining the extent to which Ends are being achieved and whether operational activities fall within boundaries established in *Management Parameters* Policies.

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met.
2. *Ends/Priority Results* and *Management Parameters* Policies may be monitored by one or more of three methods:
 - A. Internal Reports: The CEO discloses in writing his/her policy interpretations, along with data supporting his/her assessment of accomplishment of, or compliance with, the policy under review. As appropriate, the CEO may present information supporting the "reasonableness" of his/her interpretation.
 - B. External Reports: An external, disinterested third party selected by and reporting to the Board assesses accomplishment of, or compliance with, Board policies, as reasonably interpreted by the CEO.
 - C. Direct Board Inspections: A designated Board member(s) or committee assesses CEO compliance with a given policy, as reasonably interpreted by the CEO.
3. In every case, the Board is committed to accepting any reasonable CEO interpretation of the Board policy being monitored. The Board is the judge of reasonableness and will always use the "reasonable person" test (whether the CEO acted as a reasonably prudent executive would do in that context), even if those choices differ from those the Board or any of its members may have made.
4. In every case, the Board will judge whether:
 - A. The CEO's interpretation is reasonable, and
 - B. Data demonstrate reasonable accomplishment of, or compliance with, the CEO's interpretation.
5. If the Board determines that the CEO's policy interpretations are not reasonable, or if data does not demonstrate reasonable accomplishment of, or compliance with, a Board policy as interpreted, the Board will convey its concern to the CEO. Such discussions will be in Executive/Closed Session. If the concerns are not constructively addressed in a reasonable amount of time, the Board's concerns shall then be conveyed in writing to the Board Chair of USA Swimming.
6. All policies instructing the CEO will be monitored at a frequency and by a method chosen by the Board. The Board may monitor any policy at any time by any method, but will ordinarily depend on the following routine schedule:

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Policy 4.4 Board Access to CFO in Internal Auditor Capacity

Date of adoption / Last revision: February 6, 2024



Board/Management Delegation

Direct but limited access to the Board by the Chief Financial Officer (“CFO”), in an Internal Auditor capacity, is an exception to the exclusive role of the CEO in connecting governance and management.

Accordingly:

1. If after having brought to the CEO’s attention any financial impropriety discovered in the course of his or her own work, the CFO feels that the CEO has failed to address the impropriety, the CFO must report that impropriety to the Treasurer and Chair.
2. Impropriety in this context means a material deficiency in financial management or a violation of Board policies regarding financial affairs of the Foundation.
3. Nothing in this Policy impedes the CEO from exercising his or her Board-granted prerogative to interpret applicable Board policies under the “reasonable interpretation” rule, nor does it remove from the Board the right to judge reasonableness. However, *impropriety* as used above can indicate that in the opinion of the CFO as Internal Auditor, an interpretation made by the CEO is not “reasonable.”
4. The CFO is in all other ways subject to the CEO’s managerial authority, as are all other employees, and has no direct access to the Board except as described in this Policy. The CEO may not impede the CFO’s official access as an “Internal Auditor” as described in this P or seek to inappropriately influence the content of the CFO’s reporting to the Board as set forth in this Policy.
5. Nothing in this Policy shall be deemed to limit or prohibit the Board from hiring external or internal auditors who report to the Board or any audit or other committees established by the Board for such purposes.

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Appendix A. Governing Principles

To ensure a design of its work that provides for systematic role clarity and accountability for both the Board and the operating organization, the Board acts and makes its governing decisions based on the following Policy Governance principles:

1. **Ownership:** The Board's authority is derived from, and its accountability is connected to, its Member (USA Swimming), standing in a position corresponding to shareholders in an equity corporation.
2. **Governance Purpose:** With the Member above it and the Foundation's operations below it, the Board's governance role is to exercise its authority and properly empower others, rather than to be management's consultant, substitute, or adversary.
3. **"One Voice":** The Board makes authoritative decisions directed toward management and toward itself, its individual members, and its committees, only as a total group, and it speaks to the public with one voice. The Board's authority, therefore, is group authority rather than a summation of individual authorities.
4. **Ends Policies:** The Board defines in writing the strategic results priorities describing intended organizational impacts, benefits, outcomes, recipients, and their relative worth (what results, for which recipients, at what cost/priority). These are not all the possible "side benefits" that may occur, but *those that form the purpose of the Foundation, the achievement of which constitutes organizational success.*
5. **Board Means Policies:** The Board defines in writing those values-added behaviors, practices, disciplines, and conduct of the Board itself, and of its delegation/accountability relationship with the CEO. These decisions are categorized as *Board Process* and *Board-Management Delegation* Policies.
6. **Management Parameters Policies:** The Board makes decisions with respect to management decisions and actions only in a proscriptive way in order to simultaneously (a) avoid prescribing means (how can it hold staff accountable for results if the Board has mandated the processes by which they are to be achieved?) and (b) put off limits those decisions or circumstances that would be unacceptable even if they work.
7. **Policy "Sizes":** The Board's policy decisions are made beginning at the broadest, most inclusive level and, if necessary, continuing into more detailed levels that narrow the interpretative range of higher levels, one articulated level at a time.
8. **Delegation to Management:** The Board honors the exclusive authority/accountability of the CEO's role as the sole official connection between governance and management.
9. **Any Reasonable Interpretation:** In delegating further decisions – beyond those recorded in board policies – the Board grants the CEO the right to use any reasonable interpretation of the *Ends/Priority Results* and *Management Parameters* Policies. With regard to *Board Process* and *Board-Management Delegation* Policies, Board Chair is granted such authority, except when the Board has explicitly designated another Board member or party (e.g., committee or task force)
10. **Monitoring:** The Board monitors organizational performance through fair but systematic assessment of whether a reasonable interpretation of its *Ends/Priority Results* Policies is being achieved and a reasonable interpretation of its *Management Parameters* Policies is being complied with. This constitutes the basis of the CEO's evaluation.

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Appendix B. Investment Policy

Date of adoption May 1990 / Last revision: April 2019

The current Foundation Investment Policy can be found on the USA Swimming website here:

<https://www.usaswimming.org/docs/default-source/rules-regulations/usa-swimming-foundation-investment-policy-statement-2023.pdf>

Appendix C. Conflict of Interest Policy

Date of adoption / Last revision: September 21, 2023

USA SWIMMING FOUNDATION CONFLICT OF INTEREST POLICY

SECTION 1: PURPOSE AND COVERED INDIVIDUALS

The USA Swimming Foundation, Inc. (the “Foundation”) serves as the philanthropic arm of USA Swimming, Inc. (“USA Swimming”), which is the one singular member of the Foundation.

The Foundation’s Board of Directors (the “Foundation Board”), officers, ambassadors, and volunteers (“Covered Individuals”) have the responsibility of administering the affairs of the Foundation honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the Foundation and USA Swimming. Those persons shall exercise the utmost good faith in all activities and transactions involved in their duties, and they shall not use their positions within the Foundation, or knowledge gained there from, for their personal benefit. The interests of the Foundation and USA Swimming must be the first priority in all decisions and actions.

The Foundation requires that Covered Individuals recognize and avoid activities, transactions, relationships, or investments that involve, might appear to involve, or could result in a potential conflict of interest.

SECTION 2. CONFLICT OF INTEREST DEFINITION

A conflicting interest may be defined as an interest or relationship, direct or indirect, with any of the following:

1. Persons and firms supplying goods and services to USA Swimming and/or the Foundation.
2. Persons and firms from whom USA Swimming and/or the Foundation leases property and equipment.
3. Persons and firms with whom USA Swimming and/or the Foundation is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Agencies, organizations, and associations which affect the operations of USA Swimming and/or the Foundation.
6. Relatives, friends, and close associates.

Such an interest might arise through the following activities, including but not limited to:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with USA Swimming and/or the Foundation.

2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with USA Swimming and/or the Foundation.
3. Receiving remuneration for services with respect to individual transactions involving USA Swimming and/or the Foundation.
4. Using the time, personnel, equipment, supplies, or goodwill of USA Swimming and/or the Foundation, for anything other than USA Swimming and/or Foundation-approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with USA Swimming and/or the Foundation.

In the event an individual is unsure whether they may have a potential conflict of interest, they should contact USA Swimming's Secretary & General Counsel (the "General Counsel").

SECTION 3. CONFLICT OF INTEREST POLICY INTERPRETATION

The relationships and activities of potentially conflicting interest listed in Section 2 are not exhaustive. Conflicts might arise through other relationships or activities. Covered Individuals must recognize such relationships and activities by analogy.

The fact that one of the interests described in Section 2 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of USA Swimming and/or the Foundation. However, Covered Individuals must disclose the existence of any of the relationships and/or activities described in Section 2 before any related transaction is consummated. It shall be the continuing responsibility of Covered Individuals to scrutinize their transactions and outside business interests, investments, and relationships for potential conflicts and to immediately make such disclosures to USA Swimming and the Foundation.

Additional guidelines intended to assist Covered Individuals when making personal decisions relating to ethical behavior and conflict of interest include:

1. The businesses of USA Swimming and the Foundation are to be conducted in observance of both the spirit and letter of applicable federal and state laws.
2. USA Swimming and Foundation properties, services, opportunities, authority, and influence are not to be used for private benefit.
3. Expenses incurred in furtherance of USA Swimming and/or Foundation business are to be reasonable, necessary, and substantiated.
4. All Covered Individuals are expected to exhibit honesty, loyalty, candor, and professional competence in their relationships with USA Swimming and the Foundation and with each other.
5. Each Covered Individual has the responsibility to maintain the confidentiality of USA Swimming and the Foundation. This includes both proprietary and sensitive information.

SECTION 4. DISCLOSURE POLICY

Each Covered Individual shall annually sign a Disclosure Statement which affirms such individual:

1. Has received a copy of this Conflict of Interest Policy,
2. Has read and understands this Conflict of Interest Policy,
3. Has agreed to comply with this Conflict of Interest Policy, and
4. Understands that USA Swimming and the Foundation are charitable organizations and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

As new potential conflicts of interest arise, Covered Individuals must update their written disclosure.

Moreover, Board minutes must include the following when a potential conflict of interest is involved in a discussion:

1. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the General Counsel's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 5. DISCLOSURE PROCEDURE

All Disclosure Statements will be provided to the General Counsel for review. The General Counsel must document their review of any disclosures. After disclosure of the conflict or potential conflict of interest and all material facts, and after any needed discussion with the interested person, the General Counsel shall decide if a conflict of interest exists and if there are mitigating measures that could be implemented to permit USA Swimming and/or the Foundation to move forward with the transaction or activity.

If the General Counsel determines that Covered Individuals must take certain steps to manage or avoid their potential conflict, that direction must be provided to the Covered Individual in writing and the Covered Individual must acknowledge receipt and understanding in writing, including recognition that directives must be followed as a condition of membership.

Transactions between the Foundation and parties with whom a conflicting interest exists may be undertaken only if all of the following, at a minimum, are observed:

1. The conflicting interest is fully disclosed to the General Counsel;
2. The General Counsel has reviewed the Disclosure Statement and considered alternatives to the proposed transaction or arrangement;
3. If the General Counsel determines that a more advantageous transaction or arrangement, free of any potential conflict of interest, is not reasonably possible under circumstances, the General Counsel shall determine whether the transaction or arrangement is in or the Foundation's best interest, for its own benefit, and whether it is fair and reasonable.
4. In conformity with the above determination, the General Counsel shall inform the Covered Individual, the Executive Director of the Foundation, the President & CEO of USA Swimming, and the Chair of the Foundation Board³ in writing whether there is a conflict of interest precluding the Foundation from entering into the transaction or arrangement, or if there are mitigating measures that may be implemented to alleviate concerns regarding the potential conflict of interest.
5. The person with the conflict of interest must be excluded from the discussion and approval of such transaction.

SECTION 6. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY

The Foundation strictly prohibits any retaliation for reporting any alleged violations of this Policy.

The General Counsel will investigate reports of any alleged violation of this Policy; if the General Counsel has reasonable cause to believe a Covered Individual has failed to disclose an actual or possible conflict of interest, or if the General Counsel determines that a Covered Individual has not followed one of its directives subsequent to disclosure, it shall inform the Covered Individual of the basis for such belief and afford the Covered Individual

³ If the Chair of the Foundation Board is Covered Individual with the potential conflict of interest, the General Counsel shall inform the Foundation Board Vice-Chair instead.

an opportunity to explain the alleged failure to disclose.

After the General Counsel reviews the Covered Individual's response, they will generate a report of their investigation and findings. The General Counsel will submit their report to the Executive Director of the Foundation and the President & CEO of USA Swimming (the "Reviewing Body"). If the General Counsel and the Reviewing Body determine the Covered Individual has failed to disclose an actual or possible conflict of interest or violated one of the General Counsel's directives following a disclosure, they will recommend appropriate and reasonable disciplinary and corrective action, including, but not limited to, retroactive disclosure and/or removal from the Covered Individual's role within the Foundation. The severity of the disciplinary or corrective action will depend upon the severity of the violation.

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