



**Treasurer's Report**  
**Potomac Valley Swimming**  
**May 20, 2014**

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**Strong Financials**

It is with great pleasure that I report that Potomac Valley Swimming is in a very strong financial position again this year. Our revenues continue to grow and we will once again experience a surplus for the year. This surplus puts us in the lower range of our goal of 75-125% of our Operating Expenses.

**Budget Preparation**

The proposed budget was presented and approved at the last Board of Directors meeting. A copy has been provided on the website for those interested.

**Credit Cards**

We now have two credit cards under the PVS name. Our Controller and our General Chair have these cards. We also have the ability to receive credit card payments, but have chosen for financial reasons not to do so to date. We will be looking at this again this year, as we understand that it could make payments from clubs easier.

**2013 Taxes and Form 990**

Taxes and Form 990 have been filed.

**Change in Investment Policy**

Due to the regulations concerning the allowable numbers of transfers, we have changed the investment policy to reduce the number of transfers needed to manage or cash flow properly. A copy is attached.

**Controller's Position Review**

There was a review of the responsibilities of the Controller conducted by the compensation committee this year. The position is critical to the stability of our organization. The job description is attached and the committee will be reviewing the compensation of our Controller to ensure that the compensation is appropriate.

**Respectfully submitted,**

**Robert D. Vincent**  
**Treasurer**  
**Potomac Valley Swimming**

## **Proposed Change in Investment Policy (from P&P)**

### **Rationale**

#### **Banking Regulation D from the Federal Reserve Board – Six Transaction Limit**

In consumer banking, "Regulation D" often refers to §204.2(d)(2) of the regulation, which places a limit of six withdrawals or outgoing transfers per month from savings or money market accounts via several transaction methods. Transactions counted against the limit include "preauthorized or automatic transfer, or telephonic (including data transmission) agreement, order or instruction, or by check, draft, debit card, or similar order made by the depositor and payable to third parties." Transactions not counted against the limit include "mail, messenger or in person or when such withdrawals are made by telephone (via check mailed to the depositor)."

The law was amended in 2009 to allow greater freedom for the depositor: beforehand, the limit was six withdrawals per month if the funds remained within the same institution (e.g., transfer to checking), but was only three drafts where the funds left the institution. The number of deposits or incoming transfers into savings or money market accounts is not limited.

**Propose to change the balance in the GOA account to not exceed \$30,000 to allow for fewer transfers.**

### **F-2 PVS Investment Policy**

#### **Potomac Valley Swimming, Inc. (PVS) Investment Policy Statement (03/07)**

This statement of investment policy has been adopted by the Board of Directors of Potomac Valley Swimming, Inc. to provide instructions regarding investments held by the Corporation. This policy statement assumes that PVS maintains a system of internal controls sufficient to safeguard assets against fraud and malfeasance and to monitor compliance with this policy. This policy may only be modified by formal action of the Board of Directors in response to changes in the business environment in which PVS operates and/or external economic conditions.

#### **The following definitions identify the types of funds held by PVS:**

##### **General Operating Funds or Checking Account (GOA):**

Funds in the GOA are checking account funds to cover cash needs for the next 10 days. All checks issued by PVS are issued from this account. As such, the balance in this account should not exceed short-term cash needs plus a ~~\$40,000~~ **\$30,000** cash cushion.

##### **Restricted Operating Funds or Money Market Deposit Accounts (ROA):**

Funds in the ROA are unrestricted operating funds invested in one or more money market deposit 14 accounts. All receipts of PVS shall be deposited to these accounts. These accounts are used to fund the GOA account through electronic funds transfers. No checks are written against these accounts. Funds in these accounts are held to provide sufficient liquidity to meet current business cycle expenses. While the balance allowed to be maintained in these accounts is not specified in this policy, the Board of Directors should formally review the balances on a quarterly basis to insure (1) adequate liquidity to meet short term cash requirements and (2) insure that funds in excess of short term needs are invested in CDs or mutual funds.

##### **Certificates of Deposit (CDs):**

Funds invested in CDs are unrestricted operating funds invested in CDs of various maturities and maturity dates. Such funds shall normally attain a higher rate of return upon issuance than is then available from money market deposit accounts.

##### **Mutual Funds:**

Funds invested in mutual funds are unrestricted operating funds that are invested for a longer period of time in an attempt to attain a higher return than is available through CDs or money market deposit accounts.

**PVS Controller  
Position Description**

1. This position is supervised by the Potomac Valley Treasurer.
2. Maintain PVS accounting records. Accounting records are maintained on an accrual basis of accounting and comply with Generally Accepted Accounting Principles (GAAP) as prescribed by the AICPA.
  - a. Financial records are maintained using QuickBooks software. Requires thorough QuickBooks knowledge and proficiency. Requires establishment of sub-ledgers using QuickBooks and Excel Spreadsheets to track details of all monies due PVS and all amounts payable to PVS clubs and outside entities.
3. Collect, verify and process cash receipts & receivables. Requires maintenance of detailed account receivable system to track all monies due PVS. Requires thorough understanding of PVS operations, communications with clubs leadership, USA Swimming and all other entities doing business with PVS.
  - a. Registration revenue. Process cash receipts from PVS clubs for membership revenue. All checks received are verified against registration invoices prepared and issued by the PVS Registrar. Requires access and working knowledge of ZOHO invoicing system used for registrations billings.
  - b. PVS Meets entry fees. Process cash receipts from clubs for participation in PVS sponsored swim meets. Requires understanding and use of Meet Manager software to determine the amounts due from individual clubs participating in meets. Issue invoices to clubs that do not pay entry fees before conclusion of the meets. Act as collection agent to insure that all meet entry fee revenue is collected.
  - c. Club Meet splash fees. Issue invoices to clubs owing splash fees on club sponsored meets. Monitor receipts and invoices to insure that all splash fees due PVS are collected. Requires use of Meet Manager to determine splash fees due on each club meet. \
  - d. Sanction fees. Issue invoices for sanction fees for PVS sanctions issued by PVS Administrator. Issue invoices for sanction fees to sponsoring clubs.
  - e. Equipment rentals. After approval of an equipment rental by the PVS Vice Chair Operations and Equipment Manager, issue invoices for rentals to renting entity. Insure collection of equipment rental charges.
  - f. Zone teams athlete fees and apparel purchases. Work with Zone Team Coordinator to determine fees due from athlete's parents for participation on PVS Zone Teams. Verify collection of all fees including the issuance of invoices for any fees unpaid by parents prior to the meets.
  - g. Other PVS revenue. Insure tracking and collection of all other PVS revenue including for special programs such as for swimposium fees, camp registrations, fines, and miscellaneous revenue.
4. Account for and pay all PVS obligations to PVS clubs and outside entities. For all categories of liabilities, insure accuracy of payments by maintaining accounting sub-ledgers to calculate payables. Where contracts exist, make payments in accordance with requirements of the

contracts. Endeavor to pay vendors and clubs in a timely manner. Obtain answers to questions and concerns regarding accuracy of invoices from all entities to whom obligations are payable.

- a. Registrations. Verify the accuracy of USA Swimming monthly registrations invoices prior to each payment. Reconcile invoices to registration activity per SWIMS database by registration type.
  - b. PVS Meet Expenses. Receive, thoroughly analyze and pay expenses to clubs acting as hosts for PVS meets. This includes meet management fees, hospitality, Championship meet support and meet supplies purchased by meet hosts. Requires use of Meet Manager software to determine meet management fees payable. Requires close working relationship with meet managers and thorough understanding of how PVS meets are conducted.
  - c. Pool Rentals. Pay pool rentals in accordance with signed contracts.
  - d. Equipment Operations. Pay or reimburse for purchases of equipment supplies, storage facility and monthly Equipment Manager independent contract fee.
  - e. Zone Teams expenses. Pay all Zone team expenses based on invoices or contracts including meet entry fees, bus rentals, lodging and catering, miscellaneous expenses, coaching staff stipends and miscellaneous expenses.
  - f. Officials. Pay or reimburse all costs associated with support of PVS officials including payments for apparel & supplies, PVS meets evaluator expenses, clinic expenses, and official's background screenings. Maintain a separate ledger for official's background screenings. Verify that all requests for background screening reimbursement are in compliance with the PVS policy governing these reimbursements. Requires access and use of the USAS Official's Tracking System and SWIMS.
  - g. Other Programs costs. Evaluate other program payment requests to insure they are in compliance with PVS Policies and Procedures and are thoroughly documented. These include among other items, Swimposium expenses, camps, inclusion/diversity programs, Hardship grants and payments under the PVS Equipment Purchase Subsidy Program.
  - h. Athlete Travel Assistance Stipends. Pay athlete travel stipends based on Board approval of said grants.
  - i. General & Administrative Expenses. Pay administrative expenses in accordance with PVS Policies & Procedures, Board approvals and invoices. Analyze details of expense reports and invoices for accuracy and compliance with PVS P&P. Requires a thorough understanding of PVS operations, Board actions and P&P.
  - j. Other payments and reimbursements. Analyze and pay all other expenses for in-town and out of town meetings and annual convention.
5. Track PVS Meet and Office Equipment. Maintain detailed lists of PVS equipment with vendor information, purchase dates and prices and useful life. Calculate and record monthly depreciation.
  6. Reconcile Monthly Bank and Investment account statements. Record interest and both realized and unrealized gains/losses in accounting records.
  7. Payroll. Process monthly payroll for PVS employees. Insure compliance with all applicable federal and state laws regarding tax withholding and reporting. Remit payroll taxes to taxing

entities by monthly statutory deadlines. Prepare and file all monthly and annual payroll tax returns.

8. Purchase PVS meet equipment. Purchases must all be approved in advance by PVS Vice Chair Operations. Work with outside vendors to execute purchases. Take delivery of equipment and insure purchases are properly recorded in PVS equipment records.
9. Prepare and file annual tax returns. Prepare and file the annual Federal Form 990, Maryland State Form 770 and Maryland Personal Property tax returns. While these returns could be prepared and filed by a paid third party preparer, the FORM 990 focuses heavily on how PVS operates rather than on pure financial information. As a result, even if an outside entity were to prepare the FORM 990, significant input would be required from PVS leadership to answer the large number of operational questions. An outside tax preparer would not be in a position to answer these operational questions.
10. Prepare annual budgets. Requires a thorough understanding of PVS operations, historical revenue and expense patterns, Board and HOD actions and the ability to forecast the impact of changed or new initiatives and programs. Budgets are developed for each line of the PVS chart of accounts and are intended to provide a detailed picture of revenue and expense flows. Budgets are used as a management tool to assist the Board in controlling PVS expenses. The budgets lend themselves to establishment of PVS fees including for registrations, meet entry fees, splash fees, salaries and independent contractor fees, equipment rental rates, Zone Team athlete fees and special program fees. Budgets also assist the Board in assessing the ability of the organization to manage annual operating surpluses/deficits and to achieve targeted financial reserve levels. Budgets will be prepared, coordinated and approved at the discretion of the Potomac Valley Treasurer.
11. Facilitate Annual Audit/Review. The annual audit/review is facilitated under the direction of the PVS Vice Chair Finance. The function involves working closely with the auditors on all aspects of the audits. Much of the time is spent on formally answering questions from the auditors involving revenue and expense transactions, banking arrangements, compliance with internal controls, and reviewing of accounting documentation.
12. Maintain and safeguard financial records. Financial records and documentation must be maintained in a manner that fully supports accounting and auditing activities including processing of all revenues and expenses. Historical records are retained and safeguarded against loss for a period of 10 years. Computer systems must be kept in good working order and files must be backed up sufficiently to avoid loss due to failure of equipment or any other Peril.
13. Develop Financial Analyses. Prepare analyses of any changed or new PVS initiative to forecast the financial impact of the change or new initiative. Provide such analysis to the Board of Directors as information that can be used in making decisions regarding the change or new initiative.
14. Prepare & publish monthly comparative financial statements. The monthly financial statements compare current month results with those of the same month in the previous year. Financial statements also serve as a comparison of financial results to the annual budget. Provide explanations for any significant deviations from budget.

15. Position descriptions. As directed by the Board, specifically the Compensation Committee, develop proposed position descriptions for paid staff. Insure that all contracts for paid staff are signed and up to date to describe current activities.
16. Coordination of staff activities. Within the authority provided by the Board of Directors, specifically the Administrative Vice Chair, and at their direction, direct and coordinate the activities of the PVS Registrar, Administrator and Equipment Manager. Endeavor to communication to and with the staff to facilitate dissemination of information necessary to coordinate activities. Within the limits set by the Board, approve staff purchases of equipment and supplies.
17. Annual staff reviews. Develop for the paid staff to facilitate assessment of performance and compliance with their contracts. Make recommendations for compensation changes when requested to do so by the Board and/or Compensation Committee. Periodically review compensation studies to assess appropriateness of staff compensation levels.
18. Manages pool rentals. Coordinates with pool owners to reserve slots for all PVS meets based on the approved PVS competition schedule. Coordinates the signatures and administers pool rental contract. Obtains certificates of insurance and monitors compliance of all other elements of pool rental contracts.
19. Manages contracts. Under direction of the Board, reviews and executes PVS contracts for zone teams lodging, catering and bus rentals. Manages or assists in the management of other contracts for special events such as swimposiums, the annual convention, PVS meets services such as for announcers and special equipment rentals and for professional services such as for auditors and attorneys.
20. Coordinate agendas for monthly Board meetings and the annual HOD meeting with the General Chair.
21. Develops and/or modifies documents and programs for Board of Directors consideration such as for the PVS Conflict of Interest and Ethical Behavior Policy, PVS Investment Policy, financial section of P&P, rules for Officials Background Screening Reimbursements, PVS Equipment Purchase Subsidy Program and equipment rental program.
22. Attends Board meetings, Competition Committee meetings and annual HOD meeting as agreed upon to play the role of financial consultant and to stay fully abreast of PVS planning.
23. Maintains relationships with PVS clubs, Board members, USA Swimming, outside vendors, other LSCs.
24. Coordinate with the PVS Audit and Investment Committees as necessary.
25. Provide coordination and analysis of the PVS Investments to the Potomac Valley Treasurer and manage them as dictated by the PVS Investment Policy.
26. Publish and maintain a regular schedule of office hours of not less than 4 hours each day and/or five days a week.