

**Motion: 1407FC1:** The Finance Committee moves to establish a Board Designated Membership fund from membership income above the minimum needed to fund Pacific's operating budget as outlined below.

**Discussion:** The Finance committee recommends to Pacific Swimming's BOD that for the 2015 and 2016 membership years that funds be set aside in a board designated fund. In 2018 and 2019, when the income generated from membership will be less than the minimum needed to fund Pacific's operating budget, funds from the board designated fund will be used to bridge the gap between actual income and the minimum income.

The minimum that the LSC needs to fund the operating budget (programs, travel and staff) is \$15 per athlete annual membership and \$10 per non-athlete. This is the current amount Pacific receives from membership. In 2013 we received \$16/\$11 and in 2012 we received \$17/\$12. This "minimum" income needed may need to increase over time to account for inflation. The recommended amounts to set aside into the Board Designated fund are as follows:

- The recommended amount of income to set aside for the 2015 membership year is \$6 per athlete annual and non-athlete.
- The recommended amount of income to set aside for the 2016 membership year is \$4 per athlete annual and non-athlete.
- The recommended amount of income to set aside for the 2017 membership year should be evaluated by the finance committee for recommendation to the board.

**Procedure:**

The Board Designated Membership (BDM) fund should only be used for shortfalls in membership income. Use of BDM needs a vote from the full BOD. Transfer from the general fund to the BDM should be made once or twice a year. The YTD figure of total memberships generated from the SWIMS report would be the supporting document used to generate amount of transfer.

The net income that Pacific will realize for each membership year will be as follows:

Annual athletes

2015: $73 - 52 = 21$	2020: $81 - 62 = 21$
2016: $73 - 54 = 19$	2021: $81 - 64 = 17$
2017: $73 - 56 = 17$	2022: $81 - 66 = 15$
2018: $73 - 58 = 15$	2023: $81 - 68 = 13$
2019: $73 - 60 = 13$	2024: $81 - 79 = 11$

Non-athletes

2015: $68 - 52 = 16$	2020: $76 - 62 = 14$
2016: $68 - 54 = 14$	2021: $76 - 64 = 12$
2017: $68 - 56 = 12$	2022: $76 - 66 = 10$
2018: $68 - 58 = 10$	2023: $76 - 68 = 8$
2019: $68 - 60 = 8$	2024: $76 - 79 = 6$

**Restricted Funds:** Restricted funds are money donated for a specific reason to the organization. For instance, the \$5000 awarded to SCSC for pool improvement grant was restricted by the donor (Pacific Swimming) to the purchase of a new sound system.

**Board-Designated Funds:** A condition placed by an organization's Board of Directors on how an amount of money is used. The funds for accounting purposes are unrestricted.