



LOWER MERION SOCCER CLUB

Box 360 Bryn Mawr, PA 19010 610-527-3940
soccer@lmsc.net www.lmsc.net

LMSC DIRECTORS MEETING MINUTES

Thursday, June 25, 2009

The LMSC Directors held a meeting on Thursday, June 25. Participating Directors were Marty Rubenstein, Jay Dubow and Biff Sturla. Also participating was Fred Toroni, our Certified Public Accountant responsible for preparing our tax returns and handling other financial matters.

The primary purpose of the meeting was to discuss new tax laws and accounting issues required by the IRS for not-for-profit organizations such as LMSC. Fred discussed many points and gave many recommendations for how LMSC should modify our organization to be full compliance with the new IRS laws. Fred said that in our current setup, we are very close to all requirements, but we will need to make certain modifications to ensure full compliance with the new laws.

Much of the new laws center around making not-for-profit organizations "more transparent," meaning that the general public needs to have the ability to have a full & clear view of how an organization works. Much of this will be solved by adding several items to our web page so that the public can view certain items.

It was decided that we will add a new button to the main list of buttons on our web page. We will need to determine the name for this button, but the new page will contain many links relating to how we operate. We will move several items over to this page, including:

- Mission Statement (this is an ongoing document that may be altered over the course of time)
- LMSC By-laws
- Grievance Policy
- Code Of Conduct Policy
- List of Directors And Officers (with their backgrounds in soccer and life)

Several other items will be added to this new page, including:

- **Our Form 990 tax returns.** Since we have 501(c)(3) status, our tax returns are already available to the public on other web sites, but we will post our Form 990 returns on our web site to make them easier for the community to find. Fred estimates that our 2008 return will be available in mid-July (we filed for an extension. The reason for the delay is the new form 990 changes set forth by the IRS are extensive. Once our 2008 returns are finished, they will go on the web page, as will all future returns.
- **Letters from the IRS** declaring that we have been granted 501(c)(3) status. This will include the letter dated August 2006 as well as the letter we received back in 1989 when LMSC incorporated. Biff will scan both of these documents and put them on this page.
- **Minutes of all LMSC Directors Meetings**, including this meeting. Before any minutes go on the web page and become public record, all Directors will review them for accuracy.
- **Whistle Blower Policy** - Fred will help us to draft this policy. A whistle blower policy encourages staff and volunteers to come forward with credible information on illegal practices or violations of adopted policies of

the organization, specifies that the organization will protect the individual from retaliation, and identifies those staff or board members or outside parties to whom such information can be reported.

- **Reimbursement Policy For Board Members** - This is different than our Reimbursement Policy for coaches and Travel Teams. This will cover what Board Members can request reimbursement for. Mainly, the policy will state that reimbursement amounts must be within the “normal” financial range of items in the normal course of business and may not be “extravagant” or beyond the normal range necessary for such an expenditure. Fred will help us to properly word this Policy.

Conflict Of Interest Policy - We will also need to draw up a conflict of interest policy. This is a document that needs to be reviewed by all Board Members and signed by each Board Member. Again, Fred will help us to draft this document in a way that will comply with IRS requirements.

Record Retention Policy - Fred sent us a general “Record Retention Policy” statement which explains what documents LMSC needs to keep and for how long. It has been our policy since we incorporated back in 1989 that we keep all bank statements and financial documents. Older documents are stored in boxes at Public Storage.

More recent tax returns and bank statements are stored in the LMSC office. Our older tax returns will not go onto the web page, but the three most recent annual tax returns will continue to be available to the public, upon request, as required by law. Fred will provide a document from the IRS that has a checklist of what the Directors should specifically review in a tax return.

Fred recommended that at least two Board Members review the tax returns each year. We also need to request semiannual financial information from Nikki Posillico at the end of June so that we can review the state of the club at the midpoint of the year. The end of June would also be good timing for us to review each independent program (Fall Intramurals, Spring Intramurals, Travel Team Program, LMSC Camps, etc.)

LMSC 2008 Finances - Fred mentioned that our 2008 tax returns will show a loss for LMSC. This was anticipated and planned for because of the large up front sum in connection with the Barrack Hebrew Academy five and a half year field rental agreement. Fred said this is not a problem since we are able to demonstrate that this was planned and that we have a plan for recapturing the money during the course of the contract. We briefly reviewed our change in Reimbursement Policy which will save us about \$24,000 a year (we no longer offer each travel team a “free” tournament each year and we no longer reimburse referee costs for fall travel team leagues. Barrack cost us \$57,000 up front and \$10,000 a year. During the 5 ½ year period of the contract, we will spend \$107,000 on field rentals. The change in Reimbursement Policy, plus the \$20 per player increase in travel team registration, will more than make up for the field rental cost.

We also discussed how the Barrack Hebrew Academy field rental was a great help to our travel teams this year since we have had record amounts of rain and record amounts of field closings by the school district and township. Having Barrack Hebrew’s field enabled us to have travel teams continue to practice for state cups. Given that we had three state champions and two other teams finish second in the state, the field proved to be a huge benefit.

Summary - Biff will work with Fred to ensure that all of the above mentioned changes take place in a timely manner. Marty will work on the proper wording for the new page on our web site which will have links to all of the necessary items as required by the IRS. The Directors, with guidance from Fred, will work to ensure that we are in full compliance with all new IRS Tax Law and procedures. We will request midyear financial records from Nikki on June 30 and review them.