

**Subject: USA Triathlon Marketing Advisory Committee****Background:**

As stated in Article VII, Section I of the Bylaws, the Board of Directors has ultimate responsibility for the business affairs of USA Triathlon: "USA Triathlon shall be governed by a Board of Directors which shall have general charge of the business affairs and activities of USA Triathlon ... ." The Bylaws in Article X, Section 2 further provide that: "The Executive Director shall have the authority to ... (b) enter into contracts in the ordinary course of operation on behalf of USA Triathlon."

In order to help ensure that the Board exercises its fiduciary responsibility, the Board approved a November 5, 2008 resolution creating the USAT Marketing Advisory Committee to exercise oversight of major USAT sponsorships, partnerships, and other marketing initiatives. Financial benchmark levels were created that when met required approvals of the Committee and the Board before USAT could enter into the contractual agreements. Since that time:

- the USAT Marketing staff, the Executive Director, and other senior staff personnel have established a consistently high performance record of successfully contracting and negotiating USAT agreements and contracts, and
- the USAT budget, including revenues and expenditures, has increased by one-half, and
- the current guidelines (as low as \$25K cash contracts in some cases) have been found to be too restrictive, encumbering the efficient conduct of USAT's business operations.

In order to increase business efficiency and to better define USAT's, the Board's, and the Marketing Advisory Committees' responsibilities overseeing potentially significant financial and contractual obligations, a new set of rules and procedures is required.

In support of this new resolution the current USAT Marketing Advisory Committee stated: *"Since the resolution was enacted, USAT's marketing department which has, in turn, developed guidelines for sponsorship and partnership activities, has added professionals with established sponsorship skillsets. With the expanded internal structure of USAT, the appointment of experienced staff members overseeing marketing activities and the volume of sponsorship and partnership opportunities presented to USAT, it is no longer beneficial for the Marketing Committee to manage all aspects of USAT's marketing and sponsorship efforts."*

*In order to allow the USAT staff to efficiently confirm new business arrangements with potential partners while at the same time ensuring fiscal responsibility, the Marketing Advisory Committee recommends an updated overview procedure based on the current capabilities of the staff and the organization."*

**Financial Impact:**

Likely to have a positive impact on USAT's current revenue potential and net worth over the long run.

**Relevant and Affected Bylaws, Rules, and Procedures**

## **Bylaws**

*None*

## **Rules**

*None*

## **Procedures**

USAT Resolution Marketing Advisory Committee Resolution of November 5, 2008

**Whereas** the Board requires oversight of major USAT marketing and other contractual initiatives; and

**Whereas** the Marketing Advisory Committee and the Board has worked closely, cooperatively, and successfully with the USAT marketing staff and the Executive Director since creation of the Committee;

**Now therefore be it resolved** that the November 5, 2008 Resolution, USAT Marketing and Advisory Committee be rescinded.

**Be it further resolved** that a new USAT Marketing Advisory Committee be created in order to provide expert guidance and oversight in the marketing, sponsorship, and partnership agreements of USAT; that the Committee be composed of up to five members and all should have a marketing or financial background and demonstrable experience; and that the new USAT contracting guidelines shall be:

**Level 1 Agreements:** Contracts that may generate revenue or incur expenses over a 12 month period in excess of

1. \$50K in cash, or
  2. \$100K in Value-In-Kind, or
  3. \$25k in cash annually or \$50k in Value-in-kind annually and binds USAT with exclusivity to any one organization for 36 months or longer
- Executive Director has full authority to approve any contracts or agreements at this level
  - Marketing Advisory Committee shall receive an overview of all key elements of such contracts or agreements including the financial details, assets secured by partner, and term of contract.

**Level 2 Agreements:** Contracts that may generate revenue or incur expenses over a 12 month period in excess of

1. \$100K in cash, or
  2. \$200K in Value-In-Kind, or
  3. \$50k in cash annually or \$100k in Value-in-kind annually and binds USAT with exclusivity to any one organization for 48 months or longer
- All proposed Agreements shall be submitted to the Marketing Advisory Committee for advice and instruction and reviewed within 5 days of receipt
  - Following Marketing Advisory Committee feedback, all Level 2 proposed Agreements shall be submitted to the Board of Directors with recommendation for final approval or disapproval.

**Level 3 Agreements:** Contractual obligation with non-commercial entities that may generate revenue or incur expenses over a 12 month period in excess of

1. \$100K in cash or cash-equivalence
  - All proposed agreements shall be submitted to the Board of Directors for review and approval.
  - All proposed agreement renewals shall be brought to the Board's attention during the annual budget approval process or as otherwise specified in other USAT Bylaws, rules, or procedures.

**Submitted by:** Vince O'Brien, USAT Board of Directors