

Hi Steve,

The only recommendation (and it is just that) that we address when we consult with LSC's is in general it is recommended that all not for profit entities hold ~6 months operating expenses in reserve. Beyond that it is really up to the individual LSC to determine what amount is appropriate for their LSC.

Some LSC's hold very little in reserve, some hold more than 6 months. There doesn't seem to be a set amount according to size, etc. It seems to be determined by the BOD that is in place at the time. Some LSC's go beyond their reserve amount and establish an athlete endowment fund or an investment account that grows with surplus funds each year and can also be used to fund special projects occasionally, such as providing funding for Olympic trial athletes etc. Some LSC's have upwards of \$500,000 in these accounts (I think at least one has over \$1,000,000!). I also know there seems to be two camps when it comes to investment/endowment funds:

- 1: it's a great way to put extra funds to good use down the road that would just be wasted away without a plan to invest them.
- 2: It's money from current members and should be used in the present, not squirreled away to pay for some future program etc.

That's really all the information I have and none of that is "Official USA Swimming guidelines" the information we present during LSC consulting visits comes mostly from BoardSource. You may want to look into the board source website (all LSC's have a free membership through USAA Swimming). You can access your membership or sign up through this page on the USA Swimming website.

<http://usaswimming.org/DesktopDefault.aspx?TabId=2563&wpublish14178>

Hope that helps, not sure if MJ or Cherita has any other info to add.

Have a great weekend everyone!

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