

**Application for Recognition of Exemption  
Under Section 501(c)(3) of the Internal Revenue Code**

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

**A User Fee must be attached to this application.**

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

**Complete the Procedural Checklist on page 8 of the instructions.**

**Part I Identification of Applicant**

<b>1a</b> Full name of organization (as shown in organizing document)  USA Swimming Foundation		<b>2</b> Employer identification number (EIN) (If none, see page 3 of the <b>Specific Instructions</b> .)
<b>1b</b> c/o Name (if applicable)  c/o Charles J. Wielgus, Jr.		<b>3</b> Name and telephone number of person to be contacted if additional information is needed  Jill J. Chalmers, Esq. (719) 473-3800
<b>1c</b> Address (number and street)  One Olympic Plaza	Room/Suite	
<b>1d</b> City, town, or post office, state, and ZIP + 4. If you have a foreign address, see <b>Specific Instructions</b> for Part I, page 3.  Colorado Springs, CO 80909		<b>4</b> Month the annual accounting period ends  December
<b>1e</b> Web site address		<b>5</b> Date incorporated or formed  January 12, 2004
<b>6</b> Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n)		
<b>7</b> Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach an explanation.		
<b>8</b> Is the organization required to file Form 990 (or Form 990-EZ)? . . . . . <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach an explanation (see page 3 of the <b>Specific Instructions</b> ).		
<b>9</b> Has the organization filed Federal income tax returns or exempt organization information returns? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		

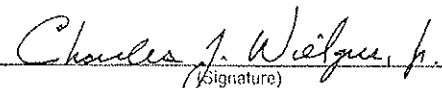
**10** Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See **Specific Instructions** for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

- a ☒ Corporation — Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws. Attached as Exhibits A & B
- b ☐ Trust — Attach a copy of the Trust indenture or Agreement, including all appropriate signatures and dates.
- c ☐ Association — Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here ☐

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete

Please  
Sign  
Here

  
(Signature)

Charles J. Wielgus, Jr., Chief Exec. Officer  
(Type or print name and title or authority of signer)

3-31-04  
(Date)

For Paperwork Reduction Act Notice, see page 7 of the instructions.

**Part II**      **Activities and Operational Information**

- 1 Provide a detailed narrative description of all the activities of the organization — past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

SEE ATTACHED NARRATIVE STATEMENT

- 2 What are or will be the organization's sources of financial support? List in order of size.

SEE ATTACHED NARRATIVE STATEMENT

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

SEE ATTACHED NARRATIVE STATEMENT

**Part II** **Activities and Operational Information (Continued)****4** Give the following information about the organization's governing body:**a** Names, addresses, and titles of officers, directors, trustees, etc.

SEE ATTACHED NARRATIVE STATEMENT

**b** Annual compensation

**c** Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? ☐ Yes ☒ No  
 If "Yes," name those persons and explain the basis of their selection or appointment.

**d** Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See **Specific Instructions** for Part II, Line 4d, on page 3.) ☐ Yes ☒ No  
 If "Yes," explain.

**5** Does the organization control or is it controlled by any other organization? ☐ Yes ☒ No  
 Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? ☒ Yes ☐ No  
 If either of these questions is answered "Yes," explain.

SEE ATTACHED NARRATIVE STATEMENT

**6** Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? ☐ Yes ☒ No  
 If "Yes," explain fully and identify the other organizations involved.

**7** Is the organization financially accountable to any other organization? ☒ Yes ☐ No  
 If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

SEE ATTACHED NARRATIVE STATEMENT

**Part II** Activities and Operational Information (Continued)

- 8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."

SEE ATTACHED NARRATIVE STATEMENT

- 9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? ☐ Yes ☒ No

- 10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? ☒ Yes ☐ No

- b Is the organization a party to any leases? ☐ Yes ☒ No  
If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

SEE ATTACHED NARRATIVE STATEMENT

- 11 Is the organization a membership organization? ☐ Yes ☒ No  
If "Yes," complete the following:

- a Describe the organization's membership requirements and attach a schedule of membership fees and dues.

- b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.

- c What benefits do (or will) the members receive in exchange for their payment of dues?

- 12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? ☒ N/A ☐ Yes ☐ No  
If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

- b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? ☒ N/A ☐ Yes ☐ No  
If "Yes," explain how the recipients or beneficiaries are or will be selected.

- 13 Does or will the organization attempt to influence legislation? ☐ Yes ☒ No  
If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

- 14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? ☐ Yes ☒ No  
If "Yes," explain fully.

**Part III Technical Requirements**

- 1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? ☒ Yes ☐ No

If you answer "Yes," do not answer questions on lines 2 through 6 below.

- 2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

**Exceptions** — You are not required to file an exemption application within 15 months if the organization:

- ☐ a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See **Specific Instructions**, Line 2a, on page 4;
- ☐ b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- ☐ c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

- 3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? ☐ Yes ☐ No

If "Yes," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 6.

If "No," answer question 4.

- 4 If you answer "No" to question 3, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? ☐ Yes ☐ No

If "Yes," give the reasons for not filing this application within the 27-month period described in question 3. See **Specific Instructions**, Part III, Line 4, before completing this item. Do not answer questions 5 and 6.

If "No," answer questions 5 and 6.

- 5 If you answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? ☐ Yes ☐ No
- 6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here ☐ and attach a completed page 1 of Form 1024 to this application.

**Part III** Technical Requirements (Continued)

7 Is the organization a private foundation?

☐ Yes (Answer question 8.)☒ No (Answer question 9 and proceed as instructed.)

8 If you answer "Yes" to question 7, does the organization claim to be a private operating foundation?

☐ Yes (Complete Schedule E.)☐ No

After answering question 8 on this line, go to line 14 on page 7.

9 If you answer "No" to question 7, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

**THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:**

a	<input type="checkbox"/> As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A.)	Sections 509(a)(1) and 170(b)(1)(A)(i)
b	<input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.)	Sections 509(a)(1) and 170(b)(1)(A)(ii)
c	<input type="checkbox"/> As a hospital or cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (These organizations, except for hospital service organizations, MUST COMPLETE SCHEDULE C.)	Sections 509(a)(1) and 170(b)(1)(A)(iii)
d	<input type="checkbox"/> As a governmental unit described in section 170(c)(1).	Sections 509(a)(1) and 170(b)(1)(A)(v)
e	<input checked="" type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i (MUST COMPLETE SCHEDULE D.)	Section 509(a)(3)
f	<input type="checkbox"/> As being organized and operated exclusively for testing for public safety.	Section 509(a)(4)
g	<input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit.	Sections 509(a)(1) and 170(b)(1)(A)(vi)
h	<input type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.	Sections 509(a)(1) and 170(b)(1)(A)(vi)
i	<input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).	Section 509(a)(2)
j	<input type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of h or i. The organization would like the IRS to decide the proper classification.	Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2)

If you checked one of the boxes a through f in question 9, go to question

14. If you checked box g in question 9, go to questions 11 and 12.

If you checked box h, i, or j, in question 9, go to question 10.

**Part III** Technical Requirements (Continued)

- 10** If you checked box **h**, **i**, or **j** in question 9, has the organization completed a tax year of at least 8 months?
- ☐ **Yes** — Indicate whether you are requesting:
- ☐ A definitive ruling. (Answer questions 11 through 14.)
- ☐ An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)
- ☐ **No** — You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.
- 
- 11** If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.
- 
- 12** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ☐ and:
- a** Enter 2% of line 8, column (e), Total, of Part IV-A. . . . .
- b** Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line **12a** above.
- 
- 13** If you are requesting a definitive ruling under section 509(a)(2), check here ☐ and:
- a** For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3.)
- b** For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.
- 
- 14** Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. **Do not submit blank schedules.**)
- |  | Yes | No | If "Yes,"<br>complete<br>Schedule: |
|--|-----|----|------------------------------------|
| Is the organization a church? . . . . .  |     | X  | A                                  |
| Is the organization, or any part of it, a school? . . . . .  |     | X  | B                                  |
| Is the organization, or any part of it, a hospital or medical research organization? . . . . .                 |     | X  | C                                  |
| Is the organization a section 509(a)(3) supporting organization? . . . . .                                     | X   |    | D                                  |
| Is the organization a private operating foundation? . . . . .  |     | X  | E                                  |
| Is the organization, or any part of it, a home for the aged or handicapped? . . . . .                          |     | X  | F                                  |
| Is the organization, or any part of it, a child care organization? . . . . .                                   |     | X  | G                                  |
| Does the organization provide or administer any scholarship benefits, student aid, etc.? . . . . .             |     | X  | H                                  |
| Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . . . . |     | X  | I                                  |

## USA Swimming Foundation Operating Budget

	2004	2005	2006
<b>Revenue:</b>			
Restricted Donations	50,000	60,000	72,000
Unrestricted Donations	100,000	120,000	144,000
Investment Income	2,063	5,062	8,385
Total Revenue	152,063	185,062	224,385
<b>Expenses:</b>			
Overhead Charge - USA-S	30,000	33,000	36,000
Fulfillment Expense	22,500	27,000	32,400
Insurance	5,000	5,500	6,050
Legal and Accounting	5,000	5,500	6,050
Meeting Expense	5,000	20,000	30,000
Total Expenses	67,500	91,000	110,500
<b>Required Payments to USA Swimming:</b>			
Restricted Payments	25,000	30,000	36,000
Unrestricted Payments	2,819	5,853	9,442
Total Required Payments	27,819	35,853	45,442
Total Expenses	95,319	126,853	155,942
<b>Net Income</b>	56,744	58,210	68,443
<b>Fund Balances:</b>			
Fund A Unrestricted	53,556	111,198	179,407
Fund B Restricted	3,188	3,755	3,989
	56,744	114,953	183,396



**Part IV Financial Data**

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

**A. Statement of Revenue and Expenses**

		Current tax year	3 prior tax years or proposed budget for 2 years			
		(a) From 4/2004 to 12/2004	(b) 2005	(c) 2006	(d)	(e) TOTAL
Revenue	1 Gifts, grants, and contributions received (not including unusual grants — see page 6 of the instructions) . . . . .	150,000	180,000	216,000		546,000.00
	2 Membership fees received . . . . .					
	3 Gross investment income (see instructions for definition) . . . . .	2,000	5,000	8,500		15,500.00
	4 Net income from organization's unrelated business activities not included on line 3 . . . . .					
	5 Tax revenues levied for and either paid to or spent on behalf of the organization . . . . .					
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge) . . . . .					
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule) . . . . .					
	8 <b>Total</b> (add lines 1 through 7) . . . . .	152,000.00	185,000.00	224,500.00		561,500.00
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22. . . . .					
	10 <b>Total</b> (add lines 8 and 9) . . . . .	152,000.00	185,000.00	224,500.00		561,500.00
11 Gain or loss from sale of capital assets (attach schedule) . . . . .						
12 Unusual grants . . . . .						
13 <b>Total revenue</b> (add lines 10 through 12) . . . . .	152,000.00	185,000.00	224,500.00		561,500.00	
Expenses	14 Fundraising expenses . . . . .	30,000	33,000	36,000		
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .					
	16 Disbursements to or for benefit of members (attach schedule) . . . . .	50,000	63,000	78,000		
	17 Compensation of officers, directors, and trustees (attach schedule) . . . . .					
	18 Other salaries and wages . . . . .					
	19 Interest . . . . .					
	20 Occupancy (rent, utilities, etc.) . . . . .					
	21 Depreciation and depletion . . . . .					
	22 Other (attach schedule) . . . . .	15,000	31,000	42,000		
	23 <b>Total expenses</b> (add lines 14 through 22) . . . . .	95,000.00	127,000.00	156,000.00		
	24 <b>Excess of revenue over expenses</b> (line 13 minus line 23) . . . . .	57,000.00	58,000.00	68,500.00		

**Part IV** Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)		Current tax year Date 12/31/2004
<b>Assets</b>		
1 Cash .....	1	56,750
2 Accounts receivable, net .....	2	
3 Inventories .....	3	
4 Bonds and notes receivable (attach schedule) .....	4	
5 Corporate stocks (attach schedule) .....	5	
6 Mortgage loans (attach schedule) .....	6	
7 Other investments (attach schedule) .....	7	
8 Depreciable and depletable assets (attach schedule) .....	8	
9 Land .....	9	
10 Other assets (attach schedule) .....	10	
11 <b>Total assets</b> (add lines 1 through 10) .....	11	56,750.00
<b>Liabilities</b>		
12 Accounts payable .....	12	0
13 Contributions, gifts, grants, etc., payable .....	13	
14 Mortgages and notes payable (attach schedule) .....	14	
15 Other liabilities (attach schedule) .....	15	
16 <b>Total liabilities</b> (add lines 12 through 15) .....	16	0.00
<b>Fund Balances or Net Assets</b>		
17 Total fund balances or net assets .....	17	56,750
18 <b>Total liabilities and fund balances or net assets</b> (add line 16 and line 17) .....	18	56,750.00
If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation. <span style="float: right;">▶ <input type="checkbox"/></span>		

**Schedule D. Section 509(a)(3) Supporting Organizations**

<b>1a</b> Organizations supported by the applicant organization:	<b>b</b> Has the supported organization received a ruling or determination letter that it is not a private foundation by reason of section 509(a)(1) or (2)?
Name and address of supported organization	
United States Swimming, Inc.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
One Olympic Plaza	
Colorado Springs, CO 80909	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No

c If "No" for any of the organizations listed in 1a, explain.

- 2 Does the supported organization have tax-exempt status under section 501(c)(4), 501(c)(5), or 501(c)(6)? . . . ☐ Yes ☒ No  
If "Yes," attach: (a) a copy of its ruling or determination letter, and (b) an analysis of its revenue for the current year and the preceding 3 years. (Provide the financial data using the formats in Part IV-A (lines 1 - 13) and Part III (lines 11, 12, and 13).)
- 3 Does your organization's governing document indicate that the majority of its governing board is elected or appointed by the supported organizations? . . . ☐ Yes ☒ No  
If "Yes," skip to line 9.  
If "No," you must answer the questions on lines 4 through 9.
- 4 Does your organization's governing document indicate the common supervision or control that it and the supported organizations share? . . . ☒ Yes ☐ No  
If "Yes," give the article and paragraph numbers. If "No," explain.

SEE ATTACHED NARRATIVE STATEMENT

- 5 To what extent do the supported organizations have a significant voice in your organization's investment policies, in the making and timing of grants, and in otherwise directing the use of your organization's income or assets?

SEE ATTACHED NARRATIVE STATEMENT

- 6 Does the mentioning of the supported organizations in your organization's governing instrument make it a trust that the supported organizations can enforce under state law and compel to make an accounting? . . . ☐ Yes ☒ No  
If "Yes," explain.

- 7a What percentage of your organization's income does it pay to each supported organization?

SEE ATTACHED NARRATIVE STATEMENT

- b What is the total annual income of each supported organization?

SEE ATTACHED NARRATIVE STATEMENT

- c How much does your organization contribute annually to each supported organization?

SEE ATTACHED NARRATIVE STATEMENT

For more information, see back of Schedule D.

**Schedule D. Section 509(a)(3) Supporting Organizations (Continued)**

- 8 To what extent does your organization conduct activities that would otherwise be carried on by the supported organizations? Explain why these activities would otherwise be carried on by the supported organizations.

SEE ATTACHED NARRATIVE STATEMENT

- 9 Is the applicant organization controlled directly or indirectly by one or more "disqualified persons" (other than one who is a disqualified person solely because he or she is a manager) or by an organization that is not described in section 509(a)(1) or (2)? ..... ☐ Yes ☒ No  
If "Yes," explain.

**Instructions**

For an explanation of the types of organizations defined in section 509(a)(3) as being excluded from the definition of a private foundation, see Pub. 557, Chapter 3.

**Line 1**

List each organization that is supported by your organization and indicate in item **1b** if the supported organization has received a letter recognizing exempt status as a section 501(c)(3) public charity as defined in section 509(a)(1) or 509(a)(2). If you answer "No" in **1b** to any of the listed organizations, please explain in **1c**.

**Line 3**

Your organization's governing document may be articles of incorporation, articles of association, constitution, trust indenture, or trust agreement.

**Line 9**

For a definition of a "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3 of the application's instructions.

**USA SWIMMING FOUNDATION**  
**One Olympic Plaza**  
**Colorado Springs, CO 80909**  
**EIN \_\_\_\_\_**  
**IRS Form 1023**  
**Narrative Statement and Other Provisions**

**Part II, Item 1 – Activities and Operational Information.** USA Swimming Foundation (the “Foundation”) has been formed specifically to serve as a supporting organization to United States Swimming, Inc., an Ohio nonprofit corporation that the Internal Revenue Service has recognized as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and exempt from federal income tax under Code Section 501(a). A copy of United States Swimming, Inc.’s determination letter is attached hereto as Exhibit C.

The Foundation was incorporated on January 12, 2004 as a Colorado nonprofit corporation. As indicated in its Articles of Incorporation, the Foundation was organized and will be operated exclusively for charitable and educational purposes, and to foster national or international amateur sports competition, within the meaning of section 501(c)(3) of the Code and to serve as a supporting organization (as defined in section 509(a)(3) of the Code) for United States Swimming, Inc. As a supporting organization, the Foundation will benefit, perform certain functions of, and carry out certain activities of, United States Swimming, Inc.

The Foundation intends to immediately engage in each of the following activities which will be conducted primarily from the Foundation’s offices in Colorado Springs, Colorado, by the Foundation’s staff:

- (1) Fundraising. The Foundation will receive all types of contributions, donations, gifts, bequests, insurance proceeds, endowments, grants, stock, properties, real estate, certificates and any other assets of value, as well as engage in fundraising programs and activities for the benefit of United States Swimming, Inc. The Foundation intends to spend approximately 80% of its time engaging in these fundraising activities.
- (2) Grant Making and Financial Support Activities. The Foundation will provide financial assistance to United States Swimming, Inc. through the direct distribution of cash or other property, through the provision of administrative or other services, or in any other form. The Foundation intends to spend approximately 15% of its time engaging in these activities.
- (3) Asset Management. The Foundation will hold, manage, serve as trustee for, invest and otherwise administer certain assets that will be used to sustain and support the programs and activities of United States Swimming, Inc. The Foundation intends to spend approximately 5% of its time engaging in these activities.

## **Part II, Item 2 – Sources of Financial Support**

The Foundation anticipates that its sources of financial support will come from the following areas:

1. gifts, grants, and contributions from the general public and publicly supported organizations;
2. interest and dividends from investments; and
3. a limited amount of income may come through grants from private foundations.

## **Part II, Item 3 – Fundraising Program**

The Foundation has not yet established a formal fundraising program. However, it is anticipated that the Foundation will seek funds from both the general public and publicly supported organizations as well as endowment funds or restricted funds from appropriate sources. Through its fundraising programs, the Foundation intends to provide flexible alternatives for donors seeking to ensure that their contributions are used to fund certain aspects or programs of United States Swimming, Inc. The Foundation intends to seek contributions by means of selective mailings and it anticipates that it will conduct all fundraising activities internally rather than using professional fundraisers.

## **Part II, Item 4a and b – Directors and Officer/Compensation**

<b><u>Name and Title</u></b>	<b><u>Address</u></b>	<b><u>Compensation</u></b>
Charles J. Wielgus, Jr., Incorporator **Also serves as Executive Director, United States Swimming, Inc.	c/o United States Swimming, Inc. One Olympic Plaza Colorado Springs, CO 80909	-\$0-

As provided in Article VI, Section 6.3 of the Foundation's Articles of Incorporation, the Foundation will be served by an initial Board of Directors of five (5) persons. As of the date of this Application for Recognition of Exemption, the initial Board of Directors has not been named. Until such time, the Foundation's incorporator shall serve as the sole director of the corporation.

## **Part II, Item 5 – Organizational Control**

As discussed in Part II, Item 1 above, the Foundation has been formed to serve as a supporting organization for United States Swimming, Inc. The Foundation's initial Board of Directors will be appointed by United States Swimming, Inc. The President of United States Swimming, Inc. will always be one member of the Foundation's Board of Directors (which shall consist of from five to fifteen members). Further, the position of Chief Executive Officer of the Foundation shall be automatically filled by the person serving as the Executive Director of United States

Swimming, Inc., the Chief Operating Officer of the Foundation shall be automatically filled by the person serving as the Chief Fundraising and Alumni Officer of United States Swimming, Inc., and all other staffing needs of the Foundation will be met by staff of United States Swimming, Inc. The Foundation's executive and other offices shall be housed at the offices of United States Swimming, Inc. The Foundation's Chief Executive Officer may only be removed by a decision of the Board of Directors of United States Swimming, Inc., and the Foundation's Chief Operating Officer may only be removed by a decision of United States Swimming, Inc.'s Executive Director. It is also intended that the Foundation's senior staff will report directly to the Foundation's Board of Directors in their capacity as Foundation staff and in their capacity as Executive Director and as Chief Fundraising and Alumni Officer of United States Swimming, Inc., they will report directly to the Board of Directors and to the Executive Director of United States Swimming, Inc., respectively.

In addition, as detailed in Article IX of the Foundation's Bylaws, the Foundation is required to establish a fund to benefit United States Swimming, Inc., and to make mandatory annual distributions from the fund to United States Swimming, Inc. The requirements in Article IX of the Foundation's Bylaws cannot be revised or amended without the approval of the Board of Directors of United States Swimming, Inc., and, as a result, United States Swimming, Inc. has the ability to set and control the Foundation's requirements regarding distributions made to United States Swimming, Inc.

#### **Part II, Item 7 – Financial Accountability**

The Foundation's Bylaws provide that the Foundation must provide copies of its financial records to its supported organization, United States Swimming, Inc., at United States Swimming Inc.'s request.

#### **Part II, Item 8 – Organizational Assets**

As a supporting organization, the primary purpose of which is to raise funds and manage assets for United States Swimming, Inc., all of the Foundation's assets will be property producing investment income.

#### **Part II, Item 10a and b – Management of Facilities and Operations and Leases**

As discussed in Part II, Item 5, the Executive Director of United States Swimming, Inc. will serve as the Foundation's Chief Executive Officer, and the Chief Fundraising and Alumni Officer of United States Swimming, Inc. will serve as the Foundation's Chief Operating Officer. As a result, the Foundation's operations will be managed by the Executive Director and Chief Fundraising and Alumni Officer of United States Swimming, Inc. At this time, the Foundation is not a party to any leases.

**Part IV – Financial Data (Supporting Schedules) – Statement of Revenue and Expenses**

**Line 15:** All contributions, gifts, grants, etc., for all years, will be payable to United States Swimming, Inc.

**Line 22: Column (a)**

Insurance - \$5,000

Legal and Accounting - \$5,000

Meeting Expenses - \$5,000

**Column (b)**

Insurance - \$5,500

Legal and Accounting - \$5,500

Meeting Expenses - \$20,000

**Column (c)**

Insurance - \$6,000

Legal and Accounting - \$6,000

Meeting Expenses - \$30,000

**Schedule D, Item 4 – Common Supervision or Control**

See the following Articles and Sections of the Foundation's Bylaws that detail certain common supervision or control features accorded to United States Swimming, Inc.:

**Article III, Section 3.2(e).** This section of the Foundation's Bylaws provides that the person serving as the president of United States Swimming, Inc. will automatically serve as one of the Foundation's directors, with full voting rights.

**Article V, Section 5.1.** This section of the Foundation's Bylaws provides that the position of Chief Executive Officer of the Foundation shall be automatically filled by the person serving as the Executive Director of United States Swimming, Inc., and the Foundation's Chief Operating Officer position shall be automatically filled by the person serving as the Chief Fundraising and Alumni Officer of United States Swimming, Inc. In addition, the Foundation's executive and other offices shall be housed at the offices of United States Swimming, Inc. The Foundation's Chief Executive Officer may only be removed by a decision of the Board of Directors of United States Swimming, Inc., and the Foundation's Chief Operating Officer may only be removed by a decision of the Executive Director of United States Swimming, Inc. Further, in their capacity as senior staff of the Foundation, the Chief Executive Officer and Chief Operating Officer will report directly to the Foundation's Board of Directors and in their capacity as Executive Director and Chief Fundraising and Alumni Officer of United States Swimming, they will report directly to the Board of Directors and the Executive Director of United States Swimming, Inc., respectively.

**Article IX.** This section of the Foundation's Bylaws provides, among other things, that the Foundation is required to establish a fund to benefit United States Swimming, Inc.,



and to make mandatory annual distributions from the fund to United States Swimming, Inc. This section requires the Foundation to consider United States Swimming, Inc.'s recommendations regarding the distributions from the fund made to United States Swimming, Inc. The requirements contained in Article IX of the Foundation's Bylaws cannot be revised or amended without the approval of the Board of Directors of United States Swimming, Inc. (see Article VIII, Section 8.2 of the Foundation's Bylaws) and, as a result, United States Swimming, Inc. has the ability to set and control the Foundation's requirements regarding distributions made to United States Swimming, Inc.

See the following Articles and Sections of the Foundation's Articles of Incorporation that also detail certain common supervision or control features accorded to United States Swimming, Inc.:

**Article III, Section 3.1.** This section of the Foundation's Articles of Incorporation specifically detail the Foundation's purposes as a supporting organization for United States Swimming, Inc.

**Schedule D, Item 5 -- Significant Voice in Investment Policies, Grants & Directing the Use of Income**

United States Swimming, Inc. will have a significant voice in (i) the Foundation's investment policies, (ii) the making and timing of grants by the Foundation, and (iii) directing the use of the Foundation's income or assets.

First, the President of United States Swimming, Inc. at all times will be one of the members of the Foundation's Board of Directors. The Foundation's Board of Directors is ultimately responsible for establishing the Foundation's financial policies and managing the Foundation. It is responsible for making all of the Foundation's financial decisions. As a result of the President of United States Swimming, Inc. serving on the Foundation's Board of Directors, United States Swimming, Inc. is ensured of having a mechanism through which it may voice its desires and needs with respect to the Foundation's investment policies, the making of grants and regarding other financial decisions made by the Foundation. Although the President of United States Swimming, Inc. will only be one member of these bodies, it is anticipated that those bodies will give significant deference to the President, in as much as he/she is the senior officer of the supported organization.

Second, the Foundation's Chief Executive Officer will always be filled by United States Swimming, Inc.'s Executive Director, and the Foundation's Chief Operating Officer position will always be filled by the Chief Fundraising and Alumni Officer of United States Swimming, Inc. These two persons will serve both the Foundation and United States Swimming, Inc. in carrying out each of the Foundation's and United States Swimming, Inc.'s policies relating to fundraising and grantmaking. The Foundation's Chief Executive Officer and Chief Operating Officer are also charged with effecting the Foundation's financial policies and decisions. Since the persons serving in these positions also will serve United States Swimming, Inc., United States Swimming will indirectly have a voice regarding the implementation of the Foundation's financial policies.

Most significantly, United States Swimming, Inc. has caused Article IX of the Foundation's Bylaws to be drafted to (i) establish a two-part fund where the Foundation's donors can make contributions to benefit United States Swimming, Inc., and (ii) require the Foundation to make mandatory annual distributions to United States Swimming, Inc. As a result of these Bylaw provisions, United States Swimming, Inc. is ensured of having a direct voice in the Foundation's investment policies, the making and timing of grants by the Foundation, and directing the use of the Foundation's income or assets. Since any change to these Bylaw provisions may be made only by an act of each of the Foundation's and United States Swimming, Inc.'s Boards of Directors, United States Swimming, Inc.'s direct influence on the Foundation's financial policies is eternally ensured.

**Schedule D, Item 7 – Payments to Supported Organization**

**a. What percentage of your organization's income does it pay to each supported organization?**

As fully detailed in Article IX of the Foundation's Bylaws, the Foundation is required to make a mandatory annual distribution to United States Swimming, Inc. (the Foundation's only supported organization) equal to five percent (5%) of the average fair market value of a fund holding all unrestricted general contributions to the Foundation as of the end of the two (2) most recent calendar years (or such lesser calendar years as the fund has been in existence) as determined in the reasonable discretion of the corporation.

**b. What is the total annual income of each supported organization?**

During 2003, United States Swimming, Inc. had an annual income equal to \$17,634,000. During 2004, United States Swimming, Inc. expects its annual income to be approximately \$20,048,000.

**c. How much does your organization contribute annually to each supported organization?**

The Foundation expects to contribute approximately \$50,000 to United States Swimming, Inc. during 2004 and at least \$60,000 during each subsequent year.

**Schedule D, Item 8 – Carrying on of Activities of Supported Organization**

The Foundation was specifically formed for the purposes of (i) conducting fundraising activities previously performed by United States Swimming, Inc., (ii) performing all financial management activities relating to the funds raised that had been performed by United States Swimming, Inc., and (iii) distributing the funds raised to United States Swimming, Inc. United States Swimming, Inc.'s fundraising programs and activities are now housed with the Foundation. The rationale for forming the Foundation to conduct these activities was to create an organization with a smaller Board of Directors that is more focused on fundraising and asset management. The members of Foundation's Board of Directors will have superior fundraising and asset management experience and skills required to conduct these activities than the broader Board of Directors serving United States Swimming, Inc.

But for the Foundation, United States Swimming, Inc. would be required to once again conduct its own fundraising activities and programs and to manage the funds raised from these endeavors.

## **EXHIBITS**

**EXHIBIT A – Copy of USA Swimming Foundation, Inc.’s Articles of Incorporation**

**EXHIBIT B – Copy of USA Swimming Foundation, Inc.’s Bylaws**

**EXHIBIT C – Copy of United States Swimming, Inc.’s determination letter from the  
Internal Revenue Service**