

NGB Audit Standards

Approved by the USOPC Board of Directors
June 2020

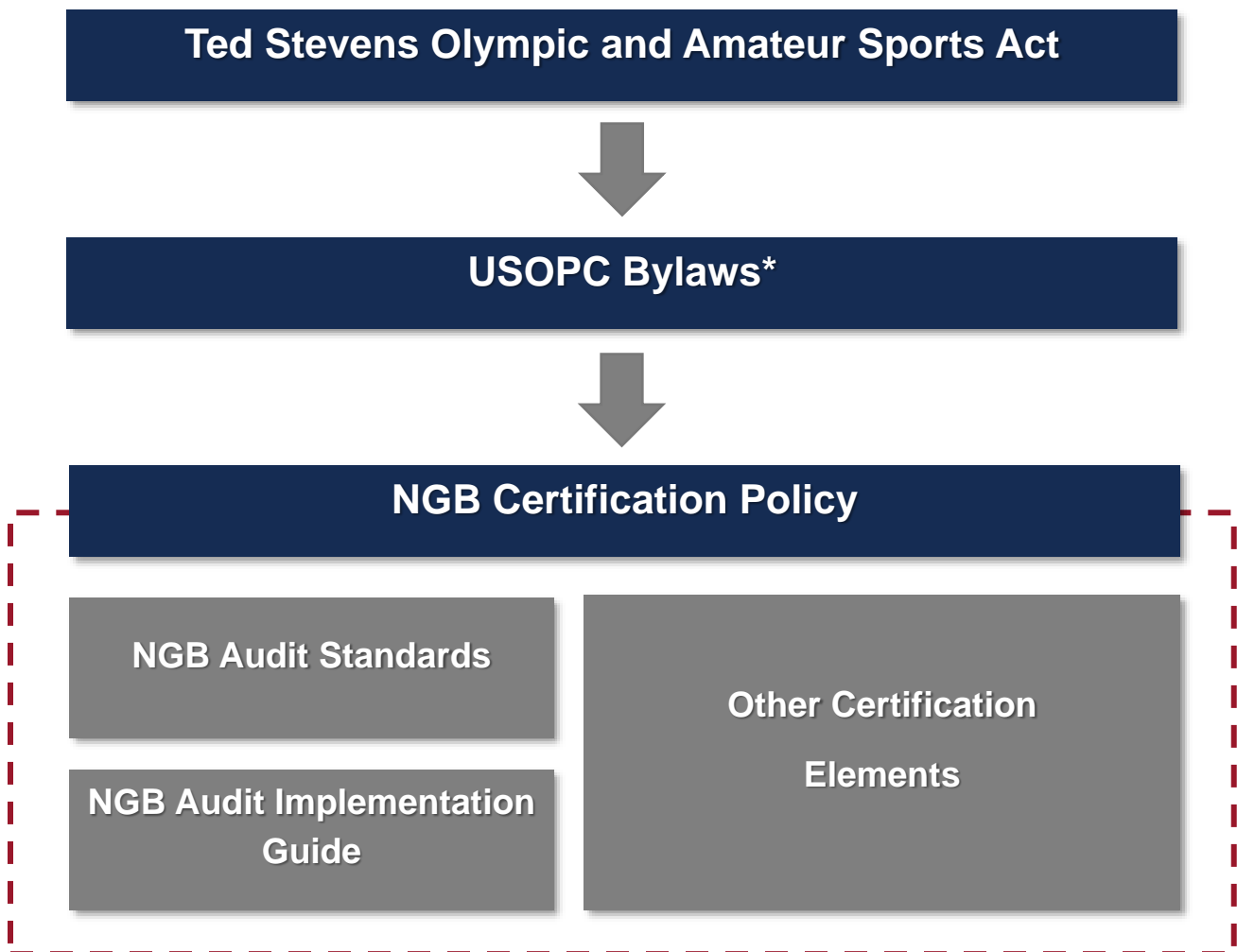


**UNITED STATES
OLYMPIC & PARALYMPIC
COMMITTEE**

Introduction and Background

To better serve our athletes, carry out the values of the Olympic and Paralympic movement, and abide by applicable rules and regulations, the United States Olympic & Paralympic Committee (USOPC) and its National Governing Body (NGB) members work together to fulfill membership responsibilities as leaders of the Olympic and Paralympic movement in the United States.

These NGB audit standards were created to assist the members with fulfilling their membership responsibilities. They are built on requirements set forth in the Ted Stevens Olympic and Amateur Sports Act and the USOPC Bylaws. The NGB Audit Standards Implementation Guide contains further details on how to satisfy the standards. The diagram below outlines how the various compliance documents relate to each other.



*Based on the Bylaws adopted on June 18, 2020. Bylaw Amendments will be incorporated into this document once they have been adopted.

Ted Stevens Olympic and Amateur Sports Act (Act): The Act gives the USOPC the ability to review all matters related to the continued recognition of its members and to take action it considers appropriate, including placing conditions on continued recognition. It also sets out some of the general obligations of organizations recognized by the USOPC as NGBs.

USOPC Bylaws: NGB membership requirements are listed in the USOPC Bylaws (effective January 1, 2020) chiefly in Section 8.7. The requirements listed below are directly from the USOPC Bylaws, therefore the references to the “corporation” refer to the USOPC.

Certification Policy: The Certification Policy clarifies the certification process referred to in the USOPC Bylaws. Certification will be conducted on a quadrennial basis or more frequently, if necessary, by the USOPC.

NGB Audits: NGBs will be audited on a quadrennial basis or more frequently, if deemed necessary, by the USOPC. The audits are a key element in determining the certification status of an NGB, however it will not be the only element when determining the certification status. The NGB audit reports will be published on TeamUSA.org.

NGB Audit Standards Implementation Guide: The NGB Audit Standards Implementation Guide provides further guidance in applying the standards and requirements and includes audit procedures for each standard.

The NGB Audit Standards and the NGB Audit Standards Implementation Guide was developed jointly by the USOPC, the National Governing Body Council (NGBC), and the Athlete Advisory Council (AAC). The NGB Audit Standards and the NGB Audit Standards Implementation Guide will be reviewed and revised, as necessary, on an annual basis. NGBs will not be audited on new audit standards for at least nine months, with possible exclusions for updates to the Act or USOPC Bylaws which might go into effect immediately.

If you have questions you can reach out to NGB Services or the NGB Audit & Organizational Advancement Department

Requirement A

Governance and Compliance



A.1 **REQUIREMENT:** Adopt and maintain governance and athlete representation policies complying with the requirements of the USOPC Bylaws

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGBs must have at least 20% athlete representation on its board of directors as required by the Act §220522(a)(10) and further defined by the USOPC Bylaws, Section 8.8.
- b. NGBs must have at least 20% athlete representation on all committees as required and defined by the USOPC Bylaws, Section 8.8.
- c. NGB must have a board structure that includes:
 - i. A board position(s) as defined by the USOPC to provide an independent perspective, and
 - ii. A board position for an affiliate member as required by the Act §220522(a)(11).
- d. NGB is not a member of more than one international sports federation included on the program of the Olympic Games or the Pan-American Games as required by the Act §220522(a)(6).
- e. NGB must have a membership structure that is open to any individual or sports organization that conducts programs in its sport as required by the Act §220522(a)(7).

A.2 **REQUIREMENT:** Adopt and maintain an Athletes Advisory Council as a part of its overall governance structure

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must have an Athletes Advisory Council that meets the minimum standards set forth by the USOPC.

A.3 **REQUIREMENT:** Adopt and maintain appropriate governance practices

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must have bylaws or policies and procedures that at least meet the minimum standards for governance practices and comply with the Act §220522(a)(9-12).
- b. The NGB board must conduct the following activities:
 - i. Formal onboarding process for board members and committee members,
 - ii. USOPC training to the board members and committee members,

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- iii. At least once during the quad, perform a self-evaluation of the board's performance using the USOPC provided resource, and
 - iv. Annual performance evaluation of the CEO/Executive Director.
- c. NGB must make its Board of Director meeting minutes for the three most recent years available on its website. At its request, prior meeting minutes must be provided to the USOPC. Meeting minutes from executive sessions are not included in this requirement.
- d. NGB must have a list of its current board members on its website, including each member's position and term.
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A.4 REQUIREMENT: Be recognized by the Internal Revenue Service (IRS) as a tax-exempt organization under the Internal Revenue Code

In order to meet the above requirement, NGBs must meet the following Standards:

- a. The NGB's tax-exempt status, recognized by the IRS, must be current to comply with the Act §220522(a)(1). The NGB must make the USOPC aware of any potential situations that could impact its tax-exempt status.
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A.5 REQUIREMENT: Adopt and enforce a code of conduct for its employees, members, board of directors, and officers

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must have a comprehensive code of conduct that meets the minimum code standards set forth by the USOPC. The code of conduct must be made available on the NGB's website.
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A.6 REQUIREMENT: Adopt and enforce ethics policies and procedures

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must have a comprehensive written statement or policy of ethics that meets the minimum standards set forth by the USOPC.
 - b. NGB must enforce a conflicts of interest policy that meets the minimum standards set forth by the USOPC. The conflict of interest policy must be made available on the NGB's website.
 - c. NGB must adopt a gift and entertainment policy that meets the minimum standards set forth by the USOPC.
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A.7 REQUIREMENT: Fulfill all responsibilities as an NGB as set forth in the Act and by the corporation

In order to meet the above requirement, NGBs must meet the following Standards:

- a. In addition to the requirements in this policy, NGB must comply with the Act.

- b. In addition to the requirements in this policy, NGB will generate and provide all information necessary for the USOPC to comply with its obligation under the Act.

Requirement B

Financial Standards and Reporting Practices



B.1 **REQUIREMENT:** Demonstrate financial operational capability to administer its sport
In order to meet the above requirement, NGBs must meet the following Standards:
(Act § 220522(a)(2))

- a. NGB must demonstrate financial stability based on its four most recent audited financial statements.
- b. NGB must develop and implement financial policies and procedures.
- c. NGB must comply with all USOPC funding agreements, including but not limited to, ensuring adequate controls are in place to ensure USOPC funds are spent appropriately, USOPC funds are not spent on excessive or unnecessary expenses, and amounts that are reported on the final grant reports are accurate.
- d. NGB Management must provide financial reports to its Board, at least three times per year, and confirmation of discussion be included in Board meeting minutes. NGB must provide financial information and documents as reasonably requested by Board members.

B.2 **REQUIREMENT:** Adopt a budget and maintain accurate accounting records in accordance with accounting principles generally accepted in the United States of America (GAAP)

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must adopt a Board-approved budget before or at the start its fiscal year.
- b. NGB must receive an unqualified opinion on its most recent audited financial statements to ensure accurate accounting records in accordance with GAAP.

B.3 **REQUIREMENT:** Submit its complete IRS Form 990 and audited financial statements, including management letter and budget, to the corporation annually

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must annually provide the USOPC's NGB Audit & Organizational Advancement Department with the following:
 - i. Its completed IRS Form 990 by the IRS deadlines including extensions, if executed.
 - ii. Its completed audited financial statements no later than the last day of the eighth month following the NGB's year-end.

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- iii. If applicable, its external auditor's letter to management outlining the evaluation of any internal control deficiencies identified during the audit, within the same timeframe as outlined in ii above.
- iv. Its Board-approved budget for the current year.

B.4 **REQUIREMENT:** Post on its website its current bylaws, its IRS Form 990 for the three most recent years, and its audited financial statements for the three most recent years
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must make its bylaws and the bylaws for all consolidated entities available on its website in a reasonable and accessible location to all individuals.
- b. NGB must make its three most recent IRS Form 990s available on its website in a reasonable and accessible location to all individuals by the IRS deadline, or extension deadline provided by the IRS.
- c. NGB must make its three most recent audited financial statements available on its website in a reasonable and accessible location to all individuals no later than the last day of the eighth month following the NGB's year-end.

Requirement C

Athlete Protections and Rights



C.1 **REQUIREMENT:** Comply with all applicable athlete safety and child protection laws
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must demonstrate compliance with child protection laws through the U.S. Center for SafeSport's most recent audit report.

C.2 **REQUIREMENT:** Comply with the policies and requirements of the U.S. Center for SafeSport
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must demonstrate compliance with the U.S. Center for SafeSport requirements through the U.S. Center for SafeSport's most recent audit report.

C.3 **REQUIREMENT:** Maintain and enforce an athlete safety program consistent with the policy(ies) and standards directed by the corporation
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must ensure compliance with policies and standards including but not limited to:
 - i. USOPC's NGB and HPMO Athlete Safety Policy
 - ii. Responsible Sport Organization Background Check Policy

C.4 **REQUIREMENT:** Comply with the anti-doping policies of the corporation and with the policies and procedures of USADA
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must ensure compliance with anti-doping policies and standards including, but not limited to, the USOPC's National Anti-Doping Policy and the USADA Protocol.
- b. NGB must have USOPC approved anti-doping language in its Bylaws, membership agreements (if applicable), and license agreements (if applicable).

C.5 **REQUIREMENT:** Satisfy such other requirements as are set forth by the corporation
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must comply with the USOPC NGB Athlete Agreements Policy.

Note: Athlete rights and protections are also covered in grievances and whistleblower policy requirements in Requirement E.

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Requirement D

Sport Performance



D.1 **REQUIREMENT:** Establish clear athlete, team, and team official selection procedures approved by a Designated Committee (as that term is defined by Section 8.8.1 of the USOPC Bylaws) and by the corporation, for Delegation Event teams as applicable, and timely disseminate such procedures to the athletes and team officials

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must submit to the USOPC proposed selection procedures, that comply with USOPC's **selection procedure minimum standards** for each of the applicable Games.

D.2 **REQUIREMENT:** Effectively conduct, in accordance with such selection procedures, a selection process, including any trials (as approved by the corporation), to select athletes for Delegation Event teams

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must execute selection procedures in accordance with the **USOPC's selection procedure minimum standards** and the NGB's own selection procedures.

D.3 **REQUIREMENT:** Competently and timely recommend to the corporation athletes, teams, and team officials for Delegation Event teams as applicable

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must timely provide the listing of recommended athletes, teams, and team officials for Delegation Event teams to the USOPC (Act §220523(a)(6)).

D.4 **REQUIREMENT:** Maintain and implement effective plans for successfully training Delegation Event athletes

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must develop and execute a high-performance plan that effectively and successfully train Delegation Event athletes.
- b. If an NGB or its affiliate(s) sanctions events, it must require specific sanctioning standards set forth by the USOPC of the organization or person requesting a sanction.
- c. PSO, or if the NGB has a Paralympic program, must adopt the U.S. Paralympics National Classification Policies & Procedures or establish national classification policies and procedures that comply with the U.S. Paralympics National

D.5 **REQUIREMENT:** Satisfy such other requirements as are set forth by the corporation
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must be in good standing with its International Federation.
- b. NGB must create and execute selection procedures for all other Protected Competitions and events in accordance with the USOPC's selection procedure minimum standards.

Requirement E

Operational Performance



E.1 **REQUIREMENT:** Demonstrate managerial capability to administer its sport
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must have managerial capability to successfully administer its operations and its sport. Managerial capability includes, but is not limited to, management's authority and ability to operate day-to-day activities; prompt resolution of management or board concerns; and reasonable board, committee, and/or staff turnover.

E.2 **REQUIREMENT:** Obtain and keep current insurance policies in such amount and for such risk management as appropriate
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must have insurance policies that comply with the USOPC's requirements and provide Certificates of Insurance to the USOPC's dedicated third party vendor.

E.3 **REQUIREMENT:** Actively seek, in good faith, to generate revenue in addition to any resources that may be provided by the corporation, sufficient to achieve financial sustainability
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must have revenue sources above and beyond the USOPC's funding. Also, see the requirements in Financial Section (B.1)

E.4 **REQUIREMENT:** Maintain and enforce grievance procedures that provide for prompt and equitable resolution of grievances and fair notice and an opportunity for a hearing before declaring an individual ineligible to participate
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must provide prompt and equitable resolution of grievances as outlined in the Act §220522(a)(13).
- b. NGB must provide fair notice and opportunity for a hearing to any amateur athlete, coach, trainer, manager, administrator, or official before declaring the individual ineligible to participate as outlined in the Act §220522(8).

E.5 **REQUIREMENT:** Adopt a whistleblower and anti-retaliation policy
In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must adopt and maintain an organizational whistleblower policy that encourages and provides a mechanism for affiliated individuals to report alleged

violations of any applicable law, rule, regulation or adopted policy of the NGB, accounting or financial fraud, or other misfeasance and includes an anti-retaliation statement.

E.6 **REQUIREMENT:** Cooperate with the corporation in preventing the unauthorized use of the names and trademarks of the corporation, the words “Olympic,” “Paralympic” and “Pan American,” and their derivatives, as well as their symbolic equivalents

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must notify the USOPC if they are aware of unauthorized usage of the names and trademarks of the USOPC.
 - b. NGB will work with the USOPC when using the USOPC trademark for its trials to ensure the names and trademarks are being used appropriately.
 - c. If an NGB sponsor uses USOPC intellectual property in an unauthorized fashion, NGB will work with USOPC and NGB sponsor, to the best of its ability, to stop the unauthorized use of USOPC intellectual property by the NGB sponsor.
 - d. NGB will work with the USOPC to execute license agreements for the NGB’s use of USOPC intellectual property.
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E.7 **REQUIREMENT:** Demonstrate an organizational commitment to diversity and inclusion

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must provide diversity data and a diversity plan to the USOPC, as required by the USOPC’s Diversity, Inclusion, & Talent Acquisition Division. If necessary, NGB will require the same reporting from its member organizations to the NGB, which information shall then be conveyed to USOPC as appropriate.
 - b. NGB must provide equitable support and encouragement for participation by women where separate programs for male and female athletes are conducted on a national basis as required by the Act §220524(6).
 - c. NGB must provide an equal opportunity to amateur athletes, coaches, trainers, managers, administrators, and officials to participate in amateur athletic competition, without discrimination on the basis of race, color, religion, sex, age, or national origin as required by the Act §220522(8).
 - d. NGB will encourage and support amateur athletic sports programs for individuals with disabilities and the participation of individuals with disabilities in amateur athletic activity, including, where feasible, the expansion of opportunities for meaningful participation by individuals with disabilities in programs of athletic competition for able-bodied individuals Act §220524(7).
 - e. NGB must consent to the USOPC making public any and all of the above information collected related to diversity and inclusion.
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E.8 **REQUIREMENT:** Maintain and execute on a strategic plan that is capable of supporting athletes in achieving sustained competitive excellence, and in growing the sport

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must maintain and monitor the execution of an organizational strategic plan, in addition to a high-performance plan.
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E.9

REQUIREMENT: Satisfy such other requirements as are set forth by the corporation

In order to meet the above requirement, NGBs must meet the following Standards:

- a. NGB must comply with the USOPC policies and procedures that apply to NGBs, if applicable, including but not limited to:
 - i. USOPC Internet Usage Policy, applies if NGB is on the USOPC internet
 - ii. USOPC Olympic and Paralympic Training Center Policy and Rates, applies if NGB uses the OPTCs,
 - iii. USOPC Sport House Protocol and Procedures, applies if NGB operates out of the USOPC Sport House, and
 - iv. USOPC Security Division Policies and Procedures, applies if NGB operations are within the OPTC or Sport House.