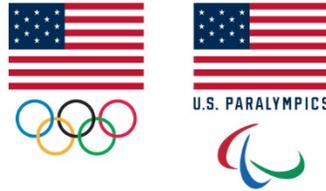

United States Olympic & Paralympic Committee

Audit & Organizational Advancement



Report for:
USA Climbing

Review of:
2019 Compliance Checklist

Dated:
January 9, 2020



UNITED STATES
OLYMPIC & PARALYMPIC
COMMITTEE
1 Olympic Plaza
Colorado Springs, CO 80909

January 9, 2020

Marc Norman
Chief Executive Officer
USA Climbing

Dear Marc,

Enclosed is the United States Olympic and Paralympic Committee's (USOPC) report on the 2019 Compliance Checklist for USA Climbing (USAC). We want to express our appreciation for the time you and your staff spent completing the Checklist and providing documents during the review.

USAC was compliant as it specifically relates to the compliance checklist report for the questions outlined below in the following areas: governance/managerial; financial capability; due process and athlete representation; athlete safety; and anti-doping. There were initially three deficiencies identified in the following areas: athlete safety; and due process and athlete representation. With policy updates, USAC remedied these deficiencies and is now fully compliant with the 2019 USOPC Compliance checklist. There is also an additional observation in the report that, when implemented, would improve the grievance process.

The report will be presented to the USOPC Athlete and NGB Engagement Committee and be made available on TeamUSA.org. We hope you found the review process to be helpful. If you have any suggestions, please do not hesitate to share them with us.

Sincerely,

Bridget Toelle, CPA, CIA
Vice President
Audit & Organizational Advancement

Rich Wright
Staff Auditor

cc: Rick Adams Chris McCleary Patti Rube
Wendy Guthrie Denise Parker Jesse Grupper
Onye Ikwuakor



2019 COMPLIANCE CHECKLIST REPORT

USA Climbing

OBJECTIVE AND SCOPE

The objective of the review is to verify USAC is in compliance with key elements of the Ted Stevens Olympic and Amateur Sports Act, the USOPC Bylaws and certain USOPC policies, in order to demonstrate ongoing commitment to the values and requirements of membership in the USOPC. The scope includes the 2019 Compliance Checklist certified by USAC and the supporting documents provided by USAC. Compliance Checklist procedures are designed to verify that certain NGB policies are in place. This Compliance Checklist does not conclude on the effectiveness of any policies reviewed. Additional audit procedures are completed on select NGBs each year to verify various policies and processes are being followed.

The following chart shows all the requirements in the Compliance Checklist and corresponding status for USAC. For any deficiencies, see the explanations and action plans after the chart.

	Question	Status
Governance/Managerial		
1	Do you have a code of conduct for your employees, members, board of directors and officers?	Compliant
2	Do you have a strategic plan that is capable of supporting athletes in achieving sustained competitive excellence, and in growing the sport?	Compliant
3	Do you have your current bylaws posted on your website?	Compliant
4	Are you compliant with the insurance requirements as set forth in Exhibit 2 of the most recent PPA?	Compliant
5	Have you submitted, in a timely fashion, data and information on the participation of women, individuals with disabilities and racial and ethnic minorities in your athletic activities and administration?	Compliant
6	Have you submitted to the USOPC for review and approval a plan to encourage the participation of men, women, individuals with disabilities and racial and ethnic minorities in your amateur athletic activities and administration?	Compliant
Financial Capability		
7	Are you recognized by the IRS as a tax-exempt organization?	Compliant
8	Are you incorporated under the laws of a state of the United States or the District of Columbia as a not-for-profit corporation?	Compliant
9	Do you have your three most recent IRS Form 990s on your website?	Compliant
10	Have you completed and posted on your website your three most recent annual audited financial statements?	Compliant
11	Do you have written financial policies and procedures?	Compliant
12	Do you have an approval and/or review process for cash disbursements?	Compliant
13	Do you provide frequent (monthly or quarterly) financial statements to your board or designated committee?	Compliant
14	Do you have a board-approved annual budget?	Compliant

15	Have you spent USOPC funds as required by the funding agreements in the previous 12 months?	Compliant
16	Do you maintain accurate accounting records in accordance with accounting principles generally accepted in the USA (GAAP)?	Compliant
Due Process and Athlete Representation		
17	Do you provide procedures for the prompt and equitable resolution of grievances of your members?	Compliant
18	Do your grievance procedures provide for fair notice and opportunity for a hearing to any athlete, coach, trainer, manager, administrator or official before declaring the individual ineligible to participate?	Compliant
19	Do you require at least 20% athlete representation on grievance panels?	Compliant
20	Do you have at least 20% athlete representation on your board of directors?	Compliant
21	Do you have at least 20% athlete representation on your budget committee?	Compliant
22	Do you have at least 20% athlete representation on your selection committee, which prepares, approves or implements selection of international, Olympic, Paralympic and Pan American Games team members, including athletes, coaches, administrators and sport staff?	Compliant
23	If you govern or operate a Paralympic Sport, do you have a Paralympic Sport Advisory Group that includes a combination of coaching staff, high performance staff and at least 20% Paralympic athlete representation to craft and approve selection procedures and to serve in an advisory capacity for high performance planning?	Compliant
Athlete Safety		
24	Do you have language in your bylaws that provides jurisdictions to the U.S. Center for Safe Sport?	Compliant
25	Do you have a USOPC-compliant Athlete Safety Policy?	Compliant
Anti-Doping		
26	Do you inform Athletes, Athlete Support Personnel and other Persons in your sport of the USOPC National Anti-Doping Policy and of the USADA Protocol?	Compliant
27	Unless otherwise agreed by USADA, at least quarterly do you provide USADA with an updated list of athletes, proposed by your NGB, to be included in the USADA RTP? With respect to each athlete on such list and such additional athletes as may be designated by USADA for inclusion in the USADA RTP, do you provide USADA with initial contact information which shall, at a minimum, include accurate residential, mailing and email addresses (if available) and phone numbers for each athlete?	Compliant
28	At least six months prior to the commencement of the most recent applicable Olympic or Paralympic Games, did you provide USADA with a list of all athletes that may have reasonably been selected to represent the U.S. in such Games?	Compliant
29	Do you have an identified staff member to act as a liaison with USADA?	Compliant

DEFICIENCIES

Do you have at least 20% athlete representation on your budget committee?

Committee appointments are made by the Board of Directors or by the CEO in consultation with the Board, including athlete representatives (reps) to its Audit Committee. In order to be compliant with Section 8.8.5 of the USOPC Bylaws, athlete reps should either be directly elected by qualified elite athletes, or "shall be selected by the NGB with the approval of the athletes or a representative group of athletes". USAC's practice in appointing athlete reps to committees is currently done by a voting majority of the quorum at a Board meeting, however the Board does not meet the athlete requirement outlined in the USOPC Bylaws. Additionally, USAC currently has no athlete representative on its Audit Committee due to the recent resignation of the prior named athlete rep.

USAC Action Plan: USAC will update its Bylaws to require approval of all athlete nominees by the USAC AAC before confirmation by the Board of Directors. USAC will also seek ratification for all current athlete representatives in committees from the USAC AAC. Finally, USAC has filled an athlete replacement for its Audit committee.

USAC Status Update: USAC updated its Bylaws to require Athlete Representatives being approved by its AAC. USAC is compliant as of January 6, 2020.

Do you have at least 20% athlete representation on your selection committee, which prepares, approves or implements selection of international, Olympic, Paralympic and Pan American Games team members, including athletes, coaches, administrators and sport staff?

Committee appointments are made by the Board of Directors or by the CEO in consultation with the Board, including athlete representatives (reps) to its Selection Committee. In order to be compliant with Section 8.8.5 of the USOPC Bylaws, athlete reps should either be directly elected by qualified elite athletes, or "shall be selected by the NGB with the approval of the athletes or a representative group of athletes". USAC's practice in appointing athlete reps to committees is currently done by a voting majority of the quorum at a Board meeting, however the Board does not meet the athlete requirement outlined in the USOPC Bylaws.

USAC Action Plan: USAC will update its Bylaws to require approval of all athlete nominees by the USAC AAC before confirmation. USAC will also seek ratification for all current athlete representatives in committees from the USAC AAC.

USAC Status Update: USAC updated its Bylaws to require Athlete Representatives being approved by its AAC. USAC is compliant as of January 6, 2020.

Do you have a USOPC-compliant Athlete Safety Policy?

USAC's SafeSport Policy does not identify that it applies to athletes designated to the USADA registered testing pool (RTP).

USAC Action Plan: USAC will update its Athlete Safety Policy to reflect USOPC's requirement to identify athletes to USADA's RTP.

USAC Status Update: USAC updated its athlete safety policy to ensure it applies to athletes designated to the USADA registered testing pool (RTP). USAC is compliant as of January 6, 2020.

ADDITIONAL OBSERVATIONS

During the review we identified additional areas for improvement. The additional observations do not impact the compliant status but could impact it in the future.

Do your grievance procedures provide for fair notice and opportunity for a hearing to any athlete, coach, trainer, manager, administrator or official before declaring the individual ineligible to participate?

Auditor reviewed USAC's Background Check Policy. Individuals are afforded a chance to dispute the accuracy of the reported information, however, if the information is accurate, they are not afforded any further opportunity to be heard and are automatically disqualified.

According to the Ted Stevens Act, NGBs must provide an opportunity for a hearing to an amateur athlete, coach, trainer, manager, administrator, or official before declaring the individual ineligible to participate. The USOPC is concerned that USAC's automatic disqualification rule may be inconsistent with that requirement.

The USOPC recognizes that USAC has adopted the position that successful completion of a background check is a membership requirement and no hearing is required when an applicant is automatically disqualified from membership based on a background check finding. However, because an individual must be a member with USAC to participate, this interpretation could be challenged. If such a challenge was raised, the USOPC would support that challenge being heard by a Section 10 hearing panel, for its consideration and final resolution.

USAC Action Plan: *USAC will continue to monitor the updates to the USOPC Bylaws and Background Check Policy to ensure compliance and upon final resolution we will adjust our Bylaws.*

CONCLUSION

With updates to its policies, USAC is fully compliant with the USOPC's Compliance Checklist. The Compliance Checklist does not conclude on the effectiveness of any policies reviewed. Additional audit procedures are completed on select NGBs each year to verify various policies and processes are being followed.