



CLUB DEVELOPMENT

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Dear Coach,

1. The Leadership Coach ™
2. Join the President's Challenge. See attached pdf.
3. So you want to start your own team? Get free help with SCORE.
4. How Business like is your Non-profit?
5. Protecting your business by incorporating.

The Leadership Coach ™

If you talk to any successful people, there will be two common denominators that are quite prevalent.

The first is that they failed a lot. The second is that they did not run 95 yard dashes. They persevered. It took Thomas Edison 1,350 attempts to get the light bulb right.

Twelve years ago, I had my first get-together with Sir Richard Branson. During the entire two hours we spent together we talked about all of Richard's failures. Yet today he runs more than 400 companies and is considered by many to be the most successful businessman in the world if you factor in all of the criteria, not just money made.

I have never met a successful business person whose highway of life was not full of numerous opportunities to abandon The trip. If you watch a 100-yard dash, there are often 3 or 4 people tied at the 95-yard mark, yet one of those individuals manages to do a little extra with those last five yards and gets the gold medal around his or her neck.

The Leadership Coach is Peter Burwash, President of Peter Burwash International, a company that manages tennis instruction programs at top resorts in more than 30 countries around the world. "Reprinted from SportsTravel magazine." For more information, visit www.SportsTravelMagazine.com He can be reached at leadershipcoach@scheiderpublishing.com, and his books are available at the Sportravel Media zone.

Last year, at the 3rd Annual Build a Pool Conference, a Proclamation was signed by USA Swimming and the President's Challenge plus 14 other aquatic organizations promoting water safety and fitness. Throughout the year of 2008 you will see programs that USA Swimming will be partnering with to increase the water safety awareness and fitness.

Check out the President's Challenge and see how easy it is will be for your swimmers and their families to show the importance for fitness in their life.

Are you wanting to own your own team?

You can get free business help in over 800 cities. You can get help online (26 different courses) or one on one with a SCORE counselor.

SCORE = Service Corps of Retired Executives Association

<http://www.score.org/index.html>

<http://www.bplan.com/samples/sba.cfm>

IRS publication #583 – *Starting a business and keeping records.*

<http://www.BizStats.com> Cost Comparisons

How Business-Like is Your Nonprofit?

From [Joanne Fritz](#),

By [Larry Checco, Checco Communications](#)

Q. Why is the world's richest man, Warren Buffet, committing more than \$30 billion of his personal fortune to the philanthropic foundation of the world's second richest man, Bill Gates?

A. Hint: It's not because [Warren Buffet](#) and [Bill Gates](#) are good friends (which they are) and often play bridge together (which they reportedly do).

The reason Buffet committed—nay, will invest—more than \$30 billion to the Bill and Melinda Gates Foundation over the coming years is because the Gateses are not running a nonprofit charity. They're managing a transparent, evidence-based, philanthropic organization that understands the value of operating in a businesslike manner.

As a result, over the years the Gates Foundation has earned a solid brand reputation for achieving and reporting results, which Buffet respects, values—and wants his philanthropic legacy to be a part of! Yet this concept still eludes many nonprofits.

When asked how they would feel about operating in a more business-like fashion, as well as incorporating branding strategies into their daily activities, many nonprofit leaders still tell me that "it would make us look too much like the for-profit sector." And my response is always the same—"Get over it!"

In no way am I suggesting that nonprofits compromise their passion for their missions or co-opt their values or program strategies to appease business-oriented donors. On the contrary, it's that very passion and focus on helping people that many of today's donors are looking for in an organization.

In fact, there is a growing number of civic-minded individuals, [foundations](#), and [giving circles](#) willing to invest substantial sums of money in nonprofit organizations. But because many of these donors amassed their wealth by working in the for-profit sector, they are primarily seeking to invest in organizations that reflect the business environment from which they came—and understand.

For nonprofits, attracting these major donors means:

- Being transparent
- Being accountable
- Tracking and measuring results
- Professionalizing your marketing and development efforts
- Having a Web-based presence
- Actively promoting your brand

Would you invest heavily in a business you could learn little, if anything, about? Neither would savvy major donors. How open is your organization to public scrutiny regarding its finances, operational functions, decision-making

processes, and more? This kind of openness facilitates relationship building among large donors who want to support organizations they understand, respect, and trust—namely those that own and consistently demonstrate a quality, transparent brand.

Being Accountable

It's not enough simply to be transparent. Accountable and ethical behavior is high on the list of reasons one organization may receive funding over another. According to a reliable Web-based resource, Accountability-central.com, organizations of all kinds are "increasingly being held accountable for their decisions, actions, behaviors and performance by a wide range of external and internal stakeholders," including funders.

At the very least, supporters want an accurate accounting of how their money is being spent and what impact it is making. Which leads us to ...

Tracking and Measuring Results

Touting "we make a difference" doesn't cut it these days. Nor are today's funders satisfied with simply knowing how many people your organization served last year. What they are most interested in is what long-lasting impact your organization has had on the individuals and communities it serves.

For example, if you provided home ownership counseling to 226 people over the last several years, how many are actually in the process of purchasing a home? How many have bought homes? How many are still in the homes they bought? If you are in the business of providing adult literacy classes, how many of those who have gone through your program can now read at an eighth-grade level? How many have gotten better jobs as a result of their new reading skills? What's been their average salary increase?

The more measurable results and outcomes you can document, the more businesslike—and better—you look to large, serious donors.

Professionalizing Your Marketing and Development Efforts

Can you name a successful for-profit company that doesn't have a strong marketing or research development component? Yet many nonprofits forego investing in these critical functions for fear they would be shortchanging their programs and services. The fact is that it is very difficult to grow programs and services if you're not actively out there raising funds or promoting your organization. Your executive director can't do it all.

If need be, hire professional communicators, marketers, and fund developers on an as-needed, consultancy basis. Over time, it will prove to be a worthwhile investment.

Having a Web-Based Presence

You'd be surprised to learn how many nonprofits still don't have a Web site. If you're one of them, seriously consider creating a Web site for your organization. It's the first place many donors go to learn more about an organization they may be interested in supporting.

If you already have a Web site, make sure it accurately reflects your brand, is easy to navigate, and is updated on a regular basis.

At the very least, you should be regularly communicating to current and prospective donors with a newsletter, preferably an electronic e-newsletter that is brief and compelling.

Actively Promoting Your Brand

For argument's sake, let's say you're doing some, if not all, of the above. How well are you communicating this information through a solid brand image and good brand messaging? How easy is it for motivated funders to find you? Do funders you seek to attract truly understand:

- Who you are?
- What you do?
- How you do it?
- And why they should care enough to support you?

If not, you need a new [business plan](#)—and better [branding](#).

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Protect Your Business Losses by Incorporating

How to Fight the Hobby-Loss Rule

By [William Perez](#), About.com

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If the net profit figure on your Schedule C is a negative number, you have a business loss. The vast majority of freelancers incur losses. This is how losses work.

First, your business loss reduces your total income. On Form 1040, your total income is calculated on Line 22. The loss also reduces your Adjusted Gross Income (Line 36), and Taxable Income (Line 42). As such, your business loss reduces your income tax. If you have a day job (on a W-2), this means you will get a bigger refund compared to someone who earned the same amount of wages but did not have a freelance gig side business.

Reducing your taxes in this way is an excellent tax strategy. In fact, many tax professionals have encouraged people with high incomes to convert their hobbies into "businesses" so they can have a loss to reduce their income. Not surprisingly, the IRS has caught on to this strategy.

There's no hard-and-fast method for distinguishing between a hobby and a real business just based on the tax return. After all, the tax return is just a piece of paper, and so there's no way to tell a legitimate business from a hobby apart except by using a rule of thumb.

Hobby Loss Rule of Thumb.

If a business reports a net profit in at least 3 out of 5 years, it is presumed to be a for-profit business. If a business reports a net loss in more than 2 out of 5 years, it is presumed to be a not-for-profit hobby.

This rule of thumb makes places a huge burden of proof on young businesses. On the one hand, the IRS expects new businesses to incur a loss. It is normal for a business to have a year or two of losses before becoming profitable. On the other hand, it is likely that a business could have several years of losses before ever making a profit. In fact, several such cases have been sent to the Tax Court.

If you cannot meet the 3-out-of-5 year rule (3 years of profits in a 5-year period), you can still prove your profit motive using the following nine factors:

1. You carry on the activity in a businesslike manner,
2. The time and effort you put into the activity indicate you intend to make it profitable,
3. You depend on income from the activity for your livelihood,
4. Your losses are due to circumstances beyond your control (or are normal in the start-up phase of your type of business),
5. You change your methods of operation in an attempt to improve profitability,
6. You, or your advisors, have the knowledge needed to carry on the activity as a successful business,
7. You were successful in making a profit in similar activities in the past,
8. The activity makes a profit in some years, and how much profit it makes, and
9. You can expect to make a future profit from the appreciation of the assets used in the activity.

This list is found in [IRS Publication 535 Business Expenses](#).

An audit to defend your business losses can be a very expensive audit. If you lose, the IRS will disallow the loss. Your business expenses will be limited only to the extent of business income (which means zero profit). And you will have to re-calculate your tax liability, often meaning that you will have to repay some of your income tax, plus penalties and interest. The audit may also be a waste of time and money, since you will have to spend time fighting the IRS and paying an accountant, instead of focusing on making money.

Nonetheless, defending your business loss is in your best interest, because creative professionals have succeeded in demonstrating a profit motive despite years and years of losses. First and foremost, you must carry on your freelance work in a very businesslike manner. This means keeping good records, keeping a business diary showing meetings with clients, deadlines, and projects, having business cards and a web site that promotes your business, and keeping a log of freelance gigs you apply for, and so forth. If you arrive at your audit armed with a [daily planner](#) showing all this information, it will be harder for the IRS to prove that you were just a hobbyist.

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Check out USA Swimming's new Club Recognition program. Follow the blueprint to develop a strong, stable, financially sound and athletically productive organization. See www.usaswimming.org/ClubRecognition