

# Chartered Affiliate Handbook

(Updated 10/2020)

## AMERICAN ASSOCIATION FOR RESPIRATORY CARE

### INTRODUCTION

This handbook has been prepared by the House of Delegates' Chartered Affiliates Committee to assist the chartered affiliates in doing the best possible job. The president of each affiliate should use this handbook as a guide not only for themselves, but for all the other officers and board members as well. In order to ease the yearly transition, the "Chartered Affiliates Handbook" should be passed on from president to president.

The relationship between the chartered affiliates and the AARC (the "Association") must be strong and continuous. Each chartered affiliate is charged with the responsibility of generating local activities that extend the Association and affiliate's numerous benefits to members. In return, the Association provides services that assist the chartered affiliates to carry on their functions with maximum efficiency and effectiveness.

Remember - the chartered affiliate, through service to its members, is the keystone of the AARC's structure! Strong, active chartered affiliates provide the Association with the manpower, energy, and stimulation necessary for its growth.

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## GENERAL INFORMATION

### Membership Billing

Membership billing occurs on a cyclical basis. Dues statements will mail approximately 60 days prior to membership expiration date.

### Membership Classifications & Dues

In general, these are the classifications & dues options for AARC members:

Active Member	1+1 Level	\$ 94.00 domestic, \$ 120.00 foreign
	Digital Level	\$ 89.00 domestic, \$ 89.00 foreign

Student/Early Professional Membership Rates: Available for students that enroll prior to graduation:

Year 1 enroll: \$25

Year 2 renewal: \$25

Year 3 renewal: \$40

Year 4 renewal: \$60

Year 5 and beyond renewal: Active Member Pricing

Senior Digital Membership - \$25, restrictions apply

Senior Digital Enduring Membership - \$200 for a 20-year membership, restrictions apply

#### *Upgrades Available to all:*

Specialty Sections: \$15 or \$20 each. There are 8 Sections: Adult Acute Care, Ambulatory and Post Acute Care, Education, Management, Neonatal-Pediatrics, Respiratory Diagnostics, Sleep, and Surface & Air Transport.

### Membership Roster

All presidents are authorized to access and download the state's membership roster. The use of the roster is to verify membership status, reach out to welcome new members and encourage lapsing members to renew before their memberships expire. It is also the president's responsibility to keep track of the list and membership numbers for historical purposes. **Remember, the list is only to be used for affiliate business and it may not distributed, sold or rented to any other entity for any purpose.**

The roster can be accessed at any time. The president will need their member number and password to log in. The link to download the list is located at <https://my.aarc.org>. Under My Account in the blue navigation bar, the "My State Society" is listed last in the menu. Under that link, you will find two lists, one of Current Members and the other of Lapsed Members (in the last 90 days). Both lists are exportable to Excel. The president is encouraged to give this access to at least one other officer in your state; usually that is the president-elect or a membership chair. It is a best practice to give the state's membership chair access and responsibility to run the list. **Remember, the list is only to be used for affiliate business and it may not distributed, sold or rented to any other entity for any purpose.**

### Revenue Sharing

On a quarterly basis, the check for the affiliate's portion (revenue sharing) will be direct deposited to the affiliate's assigned banking account. This covers the payments made in the previous quarter. Please see the signed revenue sharing agreement for the current dollar amount you receive for each Active or Associate member in your affiliate who joins/renews in the quarter.

## **Co-Marketing Monies**

Chartered Affiliates who remain in good standing and have signed the annual Revenue Sharing Agreement may also participate in Co-Marketing with the AARC. Any quarterly “co-marketing” payments will be direct deposited to the affiliate’s assigned banking account. Additional details are in the annual Revenue Sharing Agreement.

## **Specialty Section Newsletters**

Newsletters from the Specialty Membership Sections will be e-mailed throughout the year to section members.

## **AARC Times Deadline**

The deadline for receipt of material to appear in the AARC Times is the 1<sup>st</sup> of each month. For example, if you submit material on or before January 1<sup>st</sup>, this material will appear in the February issue. If you have an article idea for AARC Times, email Heather Willden ([heather.willden@aacrc.org](mailto:heather.willden@aacrc.org)) an outline and the objectives of your article. This will be reviewed by the AARC Times editorial team who will connect back with you on how to proceed.

## **AARConnect**

All AARC members have access to our professional networking platform site, AARConnect. We encourage members to participate in discussions, share resources and ask questions. Here are some specific AARConnect communities that facilitate the sharing of ideas and resources among the state societies:

- ***HOD\_PRES Community:*** Includes all affiliate presidents and delegates, the AARC President and some AARC staff. Choose to receive these emails in real time or daily digest. Posts to this community are sometimes time sensitive.
- ***AARC State Society Presidents Community:*** Includes all affiliate presidents and some AARC staff. Use this community to network with other presidents. Again, we suggest real time or daily digest as your email setting.
- ***State Affiliate Community:*** Each affiliate has the opportunity to have a state community that includes members of the state society and some AARC Staff members. Use this community to discuss affiliate issues and as a communication tool within the Affiliate. Again, we suggest daily digest or real time as your email setting.
- ***House of Delegates:*** Every elected delegate is in the community. If a substitute is appointed for a specific meeting, they are added to the community and remain there 30 – 45 days after the meeting, so they can participate in any post-meeting follow-up.
- ***Membership Chairs Community:*** Every society should have a membership chair (Note: Check your bylaws – are you required to have a membership chair?) This is their community to discuss the obstacles, successes and technical details of their membership recruitment and retention work.

## **Communicating with your Members**

The executive office does not share members' email addresses. State communities are available on AARConnect. Please refer to the policy for additional information. Please send any questions to Amanda Feil at [Amanda.Feil@AARC.org](mailto:Amanda.Feil@AARC.org).

## **IMPORTANT DOCUMENTS OF THE AFFILIATE**

The following are important documents that every non-profit association must maintain. Please reference your individual state requirements as well (Corporations Board of your State).

### **Articles of Incorporation:**

An organization's articles of incorporation can be thought of as the organization's contract with the state. The information included should reflect the minimum required by state law. The articles generally identify the organization's name, legal purpose and the disposition of its assets upon dissolution. This document spells out if you are considered to be a nonprofit (not-for-profit) entity (corporation) in your state. When you became a legal corporation, your affiliate filed articles of incorporation with the appropriate state agency.

Questions to consider:

- Do you know where your organization's Articles of Incorporation are?
- Does the AARC have a copy of your Articles of Incorporation for safe-keeping?

### **Bylaws:**

The bylaws are more specific than the articles. Moreover, the association's practices must match its bylaws. If they do not, either the bylaws or the organization's practices must be amended to be consistent with each other. See below for more information on amending your bylaws.

1. In general, at minimum, Bylaws of an AARC affiliate should contain:
  - A. The official name of the affiliate organization.
  - B. The purpose of the affiliate organization.
  - C. The rights and duties of the organization's members (criteria for membership; voting rights; termination of membership).
  - D. Foundation for the composition and responsibilities of the board of directors and officers, (number; method for election; removal and filling vacancies; terms).
  - E. Names of standing committees of the board.
  - F. The procedure to amend the bylaws.
2. Things to consider when writing or revising Bylaws:
  - A. Don't be overly restrictive in bylaws; spell out specifics in policies and procedures.
  - B. Chartered affiliates and their respective BOD must adhere to what the bylaws state; board members take an oath to uphold the bylaws.
  - C. Each Chartered Affiliate must review their bylaws and submit to the AARC Bylaws Committee for review every 5 years.
  - D. All bylaws changes must be reviewed and approved by the affiliate's BOD and submission to the affiliate's membership for approval prior to sending to the AARC Bylaws Committee..
  - E. All chartered affiliates should operate under bylaws that are consistent with the AARC Bylaws and have been approved by the AARC Board of Directors.
  - F. Questions to consider when reviewing your Bylaws:
    - i. Does the BOD and its policies and procedures fully adhere to each tenet of the current Bylaws?
    - ii. Is there a copy of the current Bylaws readily available?
    - iii. Are the Bylaws up to date or need review, in accordance with current operations of the affiliate and/or the review schedule determined by the AARC?

Procedure for Amending Bylaws: The AARC Bylaws Committee is responsible for ensuring that chartered affiliates' bylaws do not conflict with the AARC's bylaws. It is not the intent, nor is it the responsibility, of the AARC Bylaws Committee to edit the chartered affiliate bylaws when there are no conflicts with the AARC bylaws. However, when language is considered confusing or the reviewers are unsure of the intent, clarification may be requested, or suggestions as how to "clean up" the language may be offered.

The following procedure(s) should be followed when amending chartered affiliate bylaws.

- A. A copy of the affiliates revisions is sent to the AARC Bylaws Chair, c/o the AARC Executive Office HOD Liaison Asha Desai at [bylaws@aacrc.org](mailto:bylaws@aacrc.org) . A cover letter that describes the reasoning for the proposed revisions is included along with a set of proposed bylaws changes. This explanation should be sufficient for the AARC Bylaws Committee to understand the intent of the proposed changes. The affiliate must provide a full copy of their bylaws with additions underlined and bolded and with deletions appearing as strikeouts.
- B. The AARC Bylaws Committee will review the proposed revisions. This process may take approximately one month for completion. The AARC Bylaws Committee Chair will communicate directly with each affiliate's contact person to rectify deficiencies in the draft of proposed changes.
- C. Once the AARC Bylaws Committee is satisfied that the proposed changes in the bylaws do not conflict with the AARC's Bylaws, the committee will send the bylaws to the AARC BOD to recommend approval.
- D. In most cases, the Board will act on the Committee's recommendation to approve the proposed bylaws. However, in rare cases, they may return the bylaws back through the AARC Bylaws Committee to the state affiliate's contact person requesting clarification or revision.
- E. Once the AARC BOD approves the revised bylaws, they become binding. For more information: the online Bylaws Amendment Chart is available at <https://www.aarc.org/aarc-membership/aarc-state-societies/state-societies/>

## **Policies and Procedures:**

Further levels of specificity should be contained in a policy and procedure manual detailing the rules governing the affiliate's operations. Membership processes, administrative rules, financial policies, parliamentary procedures, etc. should be outlined in policies rather than incorporated in the bylaws.

Questions to consider:

- Does the Chartered Affiliate have a Society Policy and Procedure Manual?
- How often is the Policy & Procedure Manual and its contents reviewed or updated?

## **Minutes:**

Accurate minutes of each board of director's meeting should be prepared by the affiliate secretary (see sample under "Secretary"). Copies of the minutes are to be retained in the affiliate's permanent files and distributed to officers and members of the board of directors within 30 days of the meeting.

Questions to consider:

- Is there a permanent file where all minutes of meetings are kept?
- Does more than one person know where this file is?
- Is there a system for backing up of the file?

## **Financial Records:**

Affiliates should have regular (monthly or quarterly) accurate financial reports compiled by your Treasurer (see more information under "Treasurer"). Affiliates should follow AARC practices for performing an annual audit performed by an outside auditor. Affiliates should keep financial reports on file in accordance with generally accepted accounting principles. Affiliates should consider bonding at least the Treasurer, the President and/or whoever else is designated to have access to the affiliate's accounts.

Questions to consider:

- Is there a permanent file where all financial records of your affiliate are kept?
- Does more than one person know where these financial records file(s) are located?
- Is there a systematic process for backing up of these financial records file(s)?

## **Committees:**

It is up to each affiliate to determine what committees are needed to assist the operations of the organization effectively. Some committees are standing committees while others may be appointed on an interim or ad hoc basis. Standing committees function in an ongoing fashion every year. Other committees may be needed for a short term and specific purpose and can be considered ad hoc committees. The president can appoint committees that they have deemed necessary for the work of the BOD or affiliate. The Board of Directors should review the charges of each committee annually to ensure that the committee is still needed. Each committee chair should be required to provide, at least annually, a detailed report of their committee's activities. Reports should contain such information as attendance at special events, costs of activities, revenues, and other information of value to subsequent chairs. Ideally, two sets of committee reports should be preserved, one to be retained in the permanent affiliate files and the other to be included in a committee file to be passed along each year to succeeding chairs.



## **IMPORTANT DOCUMENTS TO FILE WITH AARC**

In addition to ensuring that the AARC has a current copy of each affiliate's bylaws, the affiliate should submit the following information to the AARC on an annual basis.

### **Annual Revenue Sharing Contract**

The AARC and its affiliates sign a contract agreeing to work in concert with one another and not to engage in competitive activities. This will be sent by the AARC Executive Office to the affiliate's president when it is time to be signed and renewed.

### **List of Officers**

The AARC needs to communicate in an ongoing fashion to the affiliate's president, delegates, and sometimes other officers and committee chairs. The names and roles of state affiliate's elected and appointed officials is reported to the AARC Executive Office as soon as each office is filled or when the officials change through attrition or other reasons. An online form for reporting this information is at: <http://www2.aarc.org/officerlist.aspx> .

### **Educational Meetings**

The affiliates are encouraged to provide information on their educational meetings and include a contact person. Use the online form at [http://c.aarc.org/state\\_society/seminar\\_info.cfm](http://c.aarc.org/state_society/seminar_info.cfm) to submit your meeting information as early as possible. That information is posted online as a live educational event on <http://www.aarc.org/education/live-courses/state-society-meetings/> and in the affiliate's AARConnect community if available.

### **Critical Documents to have protected and on file at affiliate level:**

- Article of Incorporation
- Affiliate bylaws
- IRS tax exempt letter and form 1023 application
- Past financial reports and tax returns for past 7 years
- Board of Directors (BOD) minutes for past 7 years
- Insurance policies and Surety bond policy
- Banking resolution and check signatory documents

## **OFFICERS**

Below are suggested job descriptions for the officers in your chartered affiliate. Please remember that any job description should comply with your Affiliate's Bylaws and adopted policies and procedures.

### **President**

The President's responsibilities should include the following:

1. Preside at all chartered affiliate meetings.
2. Executive Committee and Board of Directors Meetings:
  - A. Prepare agenda.
  - B. Notify members of time and place of meetings, even though a regular meeting schedule has been established.
  - C. When special projects are to be discussed, assure certain individuals involved are available and/or present.
  - D. Briefly review activities of all committees.
  - E. In absence of the secretary, assign another member of the Board the responsibility of preparation and prompt distribution of minutes.
  - F. Encourage the use of parliamentary procedure or more efficient use of meeting time.
3. Educational Meetings
  - A. Preside over the meeting.
  - B. Maintain a definite schedule. Affiliate business, miscellaneous reports and other activities should be restricted to essentials business items. Remember - members and guests are attending the meeting to hear the guest speaker(s).
  - C. Check on arrangements and other details of the meeting (including any biographical data on the speaker if you are making the introduction) well in advance.
  - D. Appoint and direct specific charges to all committees
    - i. Carefully match committee responsibilities with available manpower.
    - ii. Avoid one-person committees.
    - iii. Discuss what is expected of each committee and how each committee should interface to achieve the year's goals and objectives. Try to give each member the opportunity to select the committee(s) on which they wish to serve.
    - iv. Ask whether the member would serve as chair of the committee.
    - v. If possible, select members of a committee who live in the same vicinity and arrange for telephone or internet conferencing so that it will be easier for them to meet. Remember, though, this may not always be desirable if general representation is necessary (i.e. credentialing).
    - vi. Try to arrange a joint meeting of the outgoing and incoming committee chairs to give the new chair an opportunity to learn what unfinished business is pending, in addition to other information necessary for a smooth transition and effective running of the committee.
4. Strive to recruit and draw upon new manpower as a method of increasing member interest, as a source of new ideas, and as training for future chartered affiliate officers and board members.
5. Request annual reports of committees which include accomplishments, problems, and recommendations.
  - A. Request committee chairs furnish a schedule of committee meetings to permit the president's attendance.
  - B. Request periodic, comprehensive reports of committee activities.
  - C. Serve as ex-officio member of all committees except for the Nominations and Elections Committee.
6. Coordinate two-way communications with the AARC Executive Office.
  - A. Inform officers and committee chairs of proper channels of communication. Normally, communications pertaining to affiliate operations should be carried on with Asha Desai, the House of Delegates Liaison, and Amanda Feil, AARC Membership Development Director, in the Executive Office.

- B. Keep affiliate officers, board members and committee chairs informed of Executive Office and AARC activities and policies. When pertinent, the complete membership should receive information of this nature through announcements and bulletins.
- 7. Provide supporting assistance in pursuing overall objectives. From time to time, there will be programs and activities vital to the continued progress of the Association recommended by the AARC Board of Directors or AARC committees. The affiliate president will be called upon to implement these programs and activities locally.
- 8. It is the final responsibility of the president to see that ALL reports are submitted to the AARC and that AARC requirements are met by the affiliate board of directors and officers.

### **Summary**

To ensure a successful year(s) as president:

- 1. Select committee chairs and members based upon leadership, ability, and knowledge of the Association at all its levels.
- 2. Design planned, but flexible programs.
- 3. Define objectives for the (each) year.
- 4. Keep members and committees well informed.
- 5. Maintain friendly personal contact with all members.
- 6. Encourage working members and committees.
- 7. Maintain regular attendance at affiliate meetings; participate in all activities.
- 8. Consider incentives to keep the members interested.
- 9. Network with the other state presidents on AARConnect to share ideas and resources.

### **President-Elect**

An affiliate may elect its president one entire term in advance. This is done only as expressly provided for in the bylaws. After having served one term as president-elect, they automatically serve as president for the next term.

Once a person has been elected president-elect, the affiliate cannot change the decision regarding succession of that person to the presidency except under the following exceptions:

- 1. If they vacate office during their term as president-elect; or
- 2. If grounds arise for deposing them from that office (such as misconduct or dereliction of duty in office).

The president-elect's responsibilities should include the following (if spelled out in the affiliate's bylaws):

- 1. Act on behalf of the president in their absence.
- 2. Assume the office of president if such office is vacated.
- 3. Become familiar with the affiliate's needs, affairs and procedures.
- 4. Make committee appointments for the following year when serving as President.
- 5. Meet with other new officers upon assuming the presidency to outline unfinished business, goals and objectives for the coming year; expectations, duties and responsibilities of the officers to both the affiliate and the AARC (such as submission of forms, etc.).
- 6. Solicit ideas on committee appointments, membership drives, liaisons and future programs.
- 7. Serve as ex-officio member on several major committees.

## **Vice President**

The vice president's responsibilities should include but not be limited to the following:

1. Act on behalf of the president in their absence if there is no president-elect.
2. Assume the duties and responsibilities, but not the office of the President if the Presidency should be vacated.
3. Take on other duties as directed by the president:
  - A. Communicate with the district or chapter leaders, when applicable, monthly, providing direction and support for all district or chapter activities.
  - B. Assist the affiliate or district or chapter leaders, when applicable, in the development of educational or social events in each district or chapter.
  - C. Ensure that the program chairpersons and/or district or chapter leaders, when applicable, submit a report of all activities in their district or chapter on at least a quarterly basis to their Board of Directors or on their website.
4. Serve as chair or ex-officio member of several major committees, such as Program Committee, Public Relations Committee and Membership.
5. Be available for special assignments to assist the president as such situations arise.

## **Secretary**

The secretary has the responsibility of maintaining all affiliate records, reports, membership lists and minutes of regular and special meetings, including the Board of Directors meeting. See Appendix A for samples and more suggestions for carrying out the role of secretary. As the workload of the secretary will vary with the size and activity of the affiliate, it might become necessary to employ paid clerical, secretarial services in larger affiliates.

The duties and responsibilities should include the following:

1. Maintain chartered affiliate records. These records should minimally include minutes of all affiliate meetings and complete reports of special events as supplied by committee chairs.
2. Record all affiliate meeting minutes. Minutes should contain a synopsis of discussions, action items assigned and decisions made at the meeting, but not what was said by members. Copies of minutes should be distributed promptly (within thirty days) to all members of the affiliate BOD.
3. Serve as the official correspondent for the affiliate. In addition to normal correspondence with the affiliate members and the AARC Executive Office, the secretary handles official communications as directed by the president, executive committee (if the affiliate has one) and board of directors.
4. Maintain membership records. Every effort should always be made to keep affiliate membership records current. The State Society Rosters that can be downloaded from the website includes members added, dropped, or lapsed. These reports should immediately be integrated in affiliate membership record files. Changes in membership, including address changes, should be transmitted to the active mailing list to keep it current. Address changes, changes in status and other pertinent information received directly by the secretary should be forwarded immediately to the AARC Executive Office, c/o the House of Delegates Liaison.
5. Prepare the agenda for all affiliate meetings.
6. Submit a copy of the "Officer's List Form" immediately following the chartered affiliate elections to the House of Delegates Liaison in the Executive Office (A form for reporting this information is at: <http://www2.aarc.org/officerlist.aspx>).
7. Submit a copy of all other forms and reports to the House of Delegates Liaison in the Executive Office as may be requested or required.

## **Treasurer**

Whenever possible, the treasurer and other officers handling affiliate funds are to be covered by a surety protection bond maintained by the affiliate. A surety bond protects the affiliate in the case of fraud. This protection is not available through the AARC. See samples of financial reports in Appendix B.

The treasurer's duties and responsibilities should include the following:

1. Maintain accurate and true accounts of all financial transactions.
2. Receive and deposit all funds paid to the affiliate. Serve as custodian of affiliate reserves in the form of savings or checking accounts, stocks, bonds or other securities.
3. Disburse funds as authorized by the affiliate Board of Directors. Disbursement should be only by check. Checks are to be signed by those officers (usually the president and treasurer) authorized by the affiliate Board of Directors.
4. Assist the Budget and Audit Committee in developing the affiliate budget.
  - A. Work with each committee to develop each separate budget.
  - B. Require written approval from committee chairs for all committee expenditures.
  - C. Keep each committee aware of its individual budget performance.
5. Perform quarterly internal audits in conjunction with the Audit Committee Chairpersons, as applicable. Prepare financial reports for the affiliate board of directors, distribute as directed by the president, and retain permanently in the treasurer's records. The Budget and Audit Committee should act in a supervisory capacity to the treasurer by reviewing all financial reports and attesting to their accuracy. The treasurer is usually a member of this committee.
6. Prepare annual financial reports for affiliate records and affiliate BOD's. The year-end audit should be performed by a CPA or private public accountant hired and contracted by the affiliate/society.
7. Should verify filing requirements for organization exemption from income tax with local Internal Revenue Service or state officials. Requirements may vary by state. Forms may be obtained from the local Internal Revenue Service which includes specific instructions on completing the form.

## **Financial Monitoring Practices**

### **Purpose of the Internal Controls for Financial Monitoring**

The purpose of this section is to provide Chartered Affiliate board members with an approach to establish and maintain an effective system of financial management required to meet AARC Bylaws, AARC BOD Policy CA002 and HOD Policy HD016 – specific references should be given to these policies. The general purpose is to establish an internal control or audit system to reasonably ensure the affiliates are meeting their financial objectives.

Orientation of affiliate board members should include financial literacy training and financial management policy review

### **Specific Policy Information (HOD Policy 016):**

1. A chartered affiliate must triennially verify to the Chartered Affiliate Committee of their state and federal not-for-profit status. This will be done by submitting an independent certified public accountant (CPA) or an independent auditor's report electronically to the AARC Executive Office. This written document does not need to include financial information.
  - A. A chartered affiliate must maintain on file proof of state not-for-profit status such as a letter or other document from the state department of treasury.
  - B. A chartered affiliate must maintain on - file proof of federal not-for-profit status such as a letter or other document from the Department of the Treasury, Internal Revenue Service. The letter must include:
    - 1) Employer Identification Number,
    - 2) The type of not-for-profit status that the affiliate is recognized as exempt; i.e section 501(c)(3) or 501(c)(6) of the Internal Revenue Code.
    - 3) Proof of annual Form 990 or 990-EZ filing.
2. A chartered affiliate must triennially verify to the Chartered Affiliate Committee that the affiliate treasurer and other checking account signatories are bonded. This will be done by submitting an independent certified public accountant (CPA) or an independent auditor's report electronically to the AARC Executive Office. This written document does not need to include financial information.
3. A chartered affiliate must maintain on file a copy of the policy cover letter or other provider information indicating an active policy.
4. A chartered affiliate must triennially verify and provide written documentation to the Chartered Affiliate Committee that a financial audit, financial review or financial compilation was completed by an independent certified public accountant (CPA) or an independent auditor.
  - A. This will be done by submitting an independent certified public accountant (CPA) or an independent auditor's report electronically to the AARC Executive Office. This written document does not need to include financial information.
5. The written documentation is the independent CPA or auditor's report stating the affiliate's accounting records fairly represent their financial position.
6. The Chartered Affiliate Committee will review the financial verification checklist and independent certified public accountant (CPA) or an independent auditor's report submitted by an affiliate and provide a report to the Audit Subcommittee and House.
7. The Chartered Affiliate Committee will establish a schedule of when each affiliate will submit the financial checklist report.
8. If an affiliate that does not submit a report or the report is inadequate, the committee will notify the affiliate that they are not in compliance with the Chartered Affiliate Financial Reporting policy.
  - A. Notice will be sent to the affiliate president, treasurer and delegates.
  - B. The notice will inform the affiliate they have 6 months to submit the necessary financial verification documentation or a corrective action plan. The corrective action plan may be implemented in collaboration with the Chartered Affiliate Committee.

- C. The Chartered Affiliate Committee will provide a report to the Audit Subcommittee and House Officers that the delinquent affiliate is complying with the corrective action plan.
9. Failure to comply with this policy for two (2) consecutive reporting years, the Chartered Affiliates Committee may recommend
- A. an affiliate being denied a seat at a House meeting;
  - B. revenue sharing being placed on hold; or
  - C. rescinding of an affiliate's charter.

**Definitions:**

- **Internal control** are the mechanisms, rules and procedures implemented by the affiliate to ensure the integrity of financial and accounting information, promote accountability and prevent fraud.
- **Fixed assets** are items an organization will use and benefit from for a period of time greater than one year. Fixed assets are broken down into two broad categories: real property-typically determined by an appraisal and furniture and equipment.
- A **501(c)(3)** organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure any private shareholder or individual. They are commonly referred to as charitable organizations that are operated for charitable, educational, religious, literary, or scientific purposes and includes membership associations. Lobbying and political activities are significantly restricted.
- A **501(c)(6)** are operated to promote a common business interest, such as a membership organization. A wide-range of lobbying is allowed. Main stipulation is that they are required to disclose to membership the percent of their annual dues that is lobbying.
- **Audit** is an outside, certified public accountant's professional opinion on the accuracy of an organization's year-end financial statements.
- **Bonding** adds assurance to a donor, member or vendor that their money is safe with the affiliate. Regardless of affiliate structure, bonding the treasurer protects your affiliates money and investments. There is a variety of bonding patterns but common is individual or group.
- **Not-for-profit** describes a type of organization that does not earn profits for its officers or directors. All of the money earned by or donated to a not-for-profit organization is used in pursuing the organization's mission and operation.
- **Unrelated business income (UBI)** is an activity a tax-exempt organization engages in that is not related to their tax-exempt purpose and therefore subject to unrelated business income tax. An UBI activity, for most organizations, is an activity that meets three requirements: (1) it is a trade or business, (2) it is regularly carried on, and (3) it is not substantially related to furthering the exempt purpose of the organization.
- **Certified public accountant** is a designation that distinguishes licensed accounting professionals. These professionals offer financial statement audits and other attestation services to help inform investors about the financial health of organizations according to generally accepted accounting principles (GAAP).
- The **independent auditor or CPA** refers to the fact that the individual is not an employee, member or related to an officer or director of the affiliate.
- An **audit** is an outside, certified public accountant's professional opinion on the accuracy of an organization's year-end financial statements.
- A **financial review** is conducted by a CPA to state whether they are aware of any material modifications that should be made to the financial statements for them to be in conformity with GAAP. The CPA does not express an opinion as to whether your financial statements are in accordance with GAAP. A review is substantially narrower in scope than an audit. For reporting purposes, the review is not considered an audit.
- A **compilation** is intended for use by outside parties who may appreciate the business's association with a CPA without requiring a level of assurance on the accuracy of financial statements. The independent CPA does not obtain any assurance for a compilation because the independent CPAP is not required to verify the accuracy or

completeness of the information provided or otherwise gather evidence for the purposes of expressing an audit opinion or a review conclusion.

## **Internal Control Checklist:**

### **Division of Duties Among Officers**

- The person responsible for recording fixed assets does not make general ledger entries.
- The custodian of the fixed assets and the party responsible for taking physical inventory are separate.
- The person responsible for tagging fixed assets is not the fixed asset custodian.
- The person responsible for locating missing fixed assets is not the fixed asset custodian.

### **General Asset Controls**

- There are written procedures for purchasing, receiving, recording assets, and inventory management.
- Capital asset purchases require authorization.
- The reconciliation of the fixed asset detail accounts with the fixed asset control accounts and making entries into the fixed asset software are separate.
- Asset records properly classify and identify the assets.
- Assets are tagged when received.
- Physical asset inventories are actually performed.
- Physical inventories of assets are performed when transition of employee asset custodians occurs.
- Missing assets are logged in a missing asset log.
- Documentation is prepared when assets are received, sold, moved, transferred, damaged, or disposed.
- Asset reconciliations are actually performed.
- Asset additions are properly valued.
- Asset capitalization includes costs required to place the asset in service including (direct costs, preparation costs, fees, damages, interest, etc.).
- Assets gains and losses are properly recorded.
- Assets are adequately insured.
- Asset disposals require board authorization.

### **Reports and Findings of an Internal Report**

Internal audit reports, whether draft or final reports, are confidential and must have a restricted distribution. The reports, or any part thereof, should only be distributed to the officers and directors or to any other person authorized by the president and agreed upon by the audit committee.

## **Writing Checks and Electronic Payments and Transfers, Cash and Credit Cards**

### **Check and Electronic Payments**

At a minimum an organization should have two people involved in this process. The process can be broken into several parts with only two people involved:

- The bank statements and other financial information is mailed and opened by an authorized officer such as the vice-president.
- Electronic payments (e-checks or electronic fund transfers) should be utilized.
- Electronic payments should have a double authorization processes set up with the bank. For example, the program can be set-up that requires one or more approvals before the transfer will be released, such as, the treasurer will input the transaction request and a second authorized officer will review the transaction and release the payment.
- Payments to vendors on printed checks should be written by the treasurer and co-signed by an authorized officer (president) but not the same individual that receives financial statements.
- All processed online fund transfers must be documented, and confirmation notices sent to same individual responsible for receiving bank statements.



## **Cash**

- A petty cash fund may be used to cover incidental expenses (e.g. taxi fare, or meals less than a set amount) for a specific purpose.
- Only one officer should have access to the petty cash fund.
- The fund should be for a minimal amount and not used routinely.
- A voucher should be signed and maintained each time an officer receives cash from the fund.
- Receipts should be obtained for all expenses paid.
- Money not used should be returned once the specified purpose is complete.

## **Credit Card**

- Credit cards should be issued only to board members that routinely have a need because of their position in the organization. The president or delegates when traveling or the treasurer for payment of recurring charges.
- Credit limits should be placed on the cards and adjustments made as necessary.
- All receipts should be reported to the treasurer.
- A policy should be established related to payment of credit card balances.

## **General Account Practices**

### **Reviewing Records**

- The bank reconciliation should be reviewed periodically, but not less than quarterly by the board of directors or audit committee.
- Develop a list of board approved vendors to ensure that false vendors cannot be set up. If a non-approved vendor is used, board notification is necessary.
- Payments to any vendors of related board members should require board approval.
- Reimbursed expenses must be approved in advance, in writing and forwarded to the treasurer or other designated officer.
- IRS form 990 should be posted on the affiliate website.

### **Bonding**

- Bonding buys insurance on those handling monies for the organization and ensures to its membership that the finances are being handled properly.
- There are a variety of methods such as individual bonded, positions bonded, so that a change in personnel does not affect coverage, and group bonds cover everyone who handles the money.
- Bonding of affiliate check writing signatories or money handlers, specifically treasurer, is recommended. Currently, there is no set bonding level but consulting a bank or insurer and discussing specific affiliate financial obligations, assets, and signatories is encouraged.

### **Liquidity**

- Liquidity is the ability to pay bills, meet shortfalls, and maintain flexibility is necessary to an affiliate's financial health and financial sustainability. Inadequate liquid resources to cover both near-term bills and finance growth initiatives can cause stress and ultimate failure
- Affiliate liquidity should be an amount of assets.

### **Tax Reporting**

- Taxes should be reported and filed annually by an independent CPA on behalf of the affiliate.
- Tax return statement should be reviewed by the board or audit committee either before or after filing. Corrections must be reported to the accountant filing the report.

## **Other Information That Can Help Your Affiliate Run More Smoothly**

This is a compilation of information that contains helpful advice and answers to commonly asked questions. It has been created over the years based on questions to the Chartered Affiliates Committee and Executive Office of the AARC.

### **Orientation/On-boarding of New Board Members**

An orientation or an on-boarding process for new Board members is focused on acquainting them with their roles and responsibilities should be developed and maintained. Orientation may include, but certainly is not limited to the following:

1. All new officers should be required to read the Chartered Affiliates Handbook and they should each sign off that they have read the book.
2. Assign the task of archiving information for new board members to an officer, standing committee, or new committee.
3. Start with the most current year and work backwards.
4. Have committee members review previous minutes and determine what issues to present. It is recommended to include the following:
  - a. Year
  - b. President for that year
  - c. Break into topic categories for example: AARC, Business, Education
  - d. Landmark issues (AARC and your affiliate)
  - e. Recurring issues
  - f. Major resolutions/decisions that affect your chartered affiliate
  - g. National awards received
  - h. Other pertinent information regarding your affiliate

### **Insurance Coverage**

The AARC does not provide any insurance coverage for its chartered affiliates. Affiliates should bond at least the Treasurer and the President or whoever has access to the affiliate financial accounts (banks, investments, etc.) with a surety bond. A surety bond protects the affiliate in the case of fraud. This protection is not available through the AARC. We strongly encourage affiliates to obtain general liability insurance, including coverage of special events. You may also want to consider directors' and officers' liability insurance. These types of coverage are generally available through independent business insurance agents. Agents should be able to provide information regarding top-rated insurers (A.M. Best and Standard & Poor's ratings); it is suggested that affiliates obtain multiple competitive quotes.

### **Chartered Affiliate Travel Grants**

The AARC maintains a grant fund to help bring AARC Executive Office staff or AARC officers to your affiliate meetings. It provides partial funding for authorized speakers to attend your conferences to present on AARC topics. Please go to [www.aarc.org/aarc-membership/aarc-state-societies/state-resources/travel-grant-request/](http://www.aarc.org/aarc-membership/aarc-state-societies/state-resources/travel-grant-request/) to obtain the travel grant request information and a link to the appropriate forms.

### **Affiliate Membership Lists**

Any membership list that you access online is the property of the AARC. You may use this list for official affiliate business only. Affiliates are not permitted to sell, rent, or otherwise share the names and addresses to any entity or individual. Affiliates are expected to maintain the confidentiality of this list at all times.

## **Emails**

The AARC does not share or release the email addresses of its members to any entity or individual, including its affiliates. AARConnect allows members to contact other AARC members affiliate members through the AARConnect platform. Affiliates can share messages with their members through a state AARConnect community.

## **Summit Award**

Recognizes an outstanding affiliate each year. Information on that award is at:  
<https://www2.aarc.org/summitaward.aspx>.

## **Outstanding Affiliate Contributor Award**

Recognizes an individual who has made outstanding contributions and provided dedicated service to their chartered affiliate as exemplified by the number and types of affiliate offices held, committees served on or chaired, service in the House of Delegates or contributions in other related respiratory related activities on behalf of the affiliate. Information on that award is at: <https://www2.aarc.org/oaca3.aspx>.

## **Life Membership Award**

Recognizes an individual who has been a long-standing member of the AARC and has provided extraordinary contributions to the AARC by having served as a national officer, board member, committee chair or member, or in the House of Delegates. Information on that award is at: <https://www2.aarc.org/lma3.aspx>.

## **Honorary Membership Award**

Recognizes an individual who has made special achievement, performance, or contributions to the AARC, its affiliates, the NBRC, ARCF, or the profession of respiratory care. Information on that award is at:  
<https://www2.aarc.org/hma3.aspx>.

## **Bill Lamb Award**

Recognizes the respiratory therapist who goes above and beyond to serve with excellence by volunteering and mentoring others. Information on this award is at: [http://www2.aarc.org/b\\_lamb\\_award.aspx](http://www2.aarc.org/b_lamb_award.aspx).

## **APPENDICES**

**Appendix B thru Appendix L are samples provided for reference only and are not intended to supersede or cancel out any requirements indicated elsewhere by the Affiliate, AARC or state/federal laws or statutes.**

## Appendix A

### **Suggestions for Performance of the Secretarial Role**

Resources are available to affiliate secretaries as models or guides for more accurate performance of their duties. Suggestions and samples of various forms, minutes, and agendas have been included. Please note that the sample agenda and minutes are examples only and may be modified to meet the needs of statutes (for incorporated affiliates) or other affiliate requirements.

#### **Record-Keeping**

As noted above, it is suggested that the affiliate maintain the following records to assure the smooth yearly transition of affiliate officers. This duty often falls to the secretary.

As a recap, these are documents that should be retained:

- Previous secretary's reports.
- Annual meeting minutes and agenda.
- Executive Committee minutes and agenda (if applicable).
- Board of Directors minutes and agenda.
- Roster of officers, directors, standing and special committee chairs and members.
- Membership roster and records (this is sometimes delegated to a membership committee).
- Chartered affiliate bylaws
- Articles of Incorporation (if incorporated), amendments
- AARC Charter
- AARC Bylaws
- Chartered affiliate contracts and agreements
- Standing rules of procedure for the board and committees

#### **Minutes**

Equally important to the keeping of complete records is the accurate recording of all minutes. To aid in this task, sample minutes follow this set of guidelines. The following are essential to the records and must be recorded in the minutes:

1. Kind of meeting (regular, special, adjourned regular, adjourned special).
2. Name of affiliate and assembly (Executive Committee, Board of Directors).
3. Date, place and time of meeting.
4. Name of presiding officer.
5. Name of secretary or substitute.
6. Number present or absent or roll call listing members present or absent.
7. Disposition of minutes of previous meeting (approved or dispensed with).
8. All main motions (except those which were withdrawn), points of order and appeals; whether sustained or lost, and all other motions not lost or withdrawn. Generally, the name of the member introducing a main motion is recorded but not the name of the member who seconds it.
9. Action taken on recommendations or resolutions contained in reports of:
  - A. Officers
  - B. All committees (Standing or Special)
10. Corrections to published minutes (if any).
11. Report of action taken outside of meetings (mail votes, telephone polls, etc.).
12. Time of adjournment.
13. Date these minutes approved ("as read" or "as printed" or "as corrected" or approved" by committee).

At each BOD meeting, the secretary should have all items of unfinished business listed. A copy should be supplied to the president. Unfinished business includes: motions referred to committees, motions postponed until later meetings, and motions tabled, as well as "unfinished business" which is the motion (if any) that was pending when the last meeting adjourned. The motions referred to committee may come back before the assembly as committee reports. The motions postponed until a later meeting may come before the assembly again as general or special orders.

Presidential committee appointments should be made at the meeting so they may be recorded in the minutes. Minutes may be approved by general consent or majority vote of the board of directors. Corrections to the minutes are made:

1. At the time of reading;
2. If published - at the meeting following publication;
3. At any time - if amended or corrected at a later date, it requires a 2/3 vote of the Board of Directors.

Approval - When minutes are approved at the next meeting, this action should be recorded at the bottom of the minutes as follows:

"Approved as (read) (printed) (corrected)"

\_\_\_\_\_ (Date)

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

After the meeting, the minutes (notes) should be transcribed as soon as possible so that important discussion and decisions are easily recalled. Copies of minutes should be distributed promptly (within thirty days) to all members of the chartered affiliate board of directors.

Motions of a permanent nature (continuing action) should be listed in the standing rules, together with date of adoption. If a standing rule is rescinded, the secretary should go back to the minutes and mark the date of rescinding (marginal correction) as well as striking from the standing rules and entering the date rescinded. It is suggested that the standing rules be filed with a blank page between each written page to facilitate future notes related to particular standing rules.

If the meeting is adjourned and an announcement or motion is made that had to do with the meeting did not occur during the meeting, but is important enough to appear in the minutes, it may be listed after the signature of the secretary in the minutes. An example of this might be where a motion was made to adjourn until a specific date. After adjournment, it was noted by a member that the date is a national holiday; thus, a new motion is introduced.

Write good minutes of basic construct and by avoiding lofty language. Avoid adjectives except when necessary to make the meaning clear. Make short paragraphs and indent deeply. Ask that a motion be made in writing if it is long and rambling or difficult to record, or if there is apt to be a comment later. Never keep minutes on loose sheets of paper. Original notes may be kept in a temporary notebook, but the minutes themselves should be in a permanent book (written or typed and pasted in). Always report some action or disposal of every motion recorded.

NOTE: Reports - The secretary should record on the reports of committees the date of their receipt, what further action was taken, and preserve them among the records for which he/she is responsible. It is not necessary to vote a report as "accepted" or "should be placed on file."

## **Meeting Agenda**

In most organizations, it is the responsibility of the secretary to prepare the agenda for the president. By so doing, the chairs of committees can anticipate the time for their reports; and, in general, the meeting may be conducted smoothly and professionally. It is strongly suggested that an agenda be prepared for all meetings, including committee meetings (agenda prepared by chairs), no matter how small or informal. The following are elements that should be included in the agenda:

- A. Call to Order: It is the duty of the presiding officer to promptly call the meeting to order at the specified hour. This time should appear in the heading of the agenda as well as in the prior meeting announcement(s).
- B. Roll call: This is done by the secretary to identify who is present for the meeting and to determine if there is a quorum present.
- C. Correspondence: This item should appear on the agenda, so the secretary may read relevant correspondence of interest to that meeting. Disposition of this correspondence is then ordered by the president (answer, to committee for study and/or action, and so forth).
- D. Treasurer's Report: The treasurer will give a report on the affiliate's financial transactions for the last period.
- E. Officers Report(s): The officers will give a report of their activities during the last period.
- F. Committee Reports: Committee chairpersons will report on their activities during the last period and offer any recommendations or motions that need to be acted on.
- G. Guests: At this time, you may have a guest at the meeting who may be asked to give a report.
- H. Old Business: At this time the President can entertain any Old Business.
- I. New Business: At this time the President may entertain any New Business.
- J. Adjournment: Need a motion to adjourn.

## **Annual Business Meeting Notice**

The bylaws of most affiliates specify, in general terms, the time of the annual business meeting. The announcement of this meeting should be sent to the membership as specified in the bylaws. The secretary of an incorporated affiliate is frequently required by statute to have one on file and, in some instances, file an affidavit of Notice of Annual Meeting with an agency.

## **Special Meeting Notice**

For all special affiliate meetings, it is wise to send the membership a meeting notice. If a program or agenda has been prepared, it should accompany the notice.

## **Waiver of Notice of Directors Meeting**

In the event the affiliate's board of directors chooses to meet without benefit of advance notice, a waiver of notice should be executed.

## **Election Procedures**

The affiliate secretary may be required by law to swear to the mailing of ballots to the membership.

*NOTE: Additional helpful suggestions will be found in the preface to *Parliamentary Procedure at a Glance* by O. Garfield Jones or online by searching for the term "parliamentary procedure".*

## Appendix B

### **Meeting Minutes, Sample**

[Date] [Affiliate Name]

[Location of meeting]

The regular meeting of the Board of Directors of the [Affiliate Name] was called to order [Month, Day, Year], at [Time] in [Location]. [Name], [Affiliate Name] President, was presiding. [Name], [Affiliate Name] Secretary, recorded minutes of the meeting. 10 board members were present, 2 were absent. Quorum was confirmed.

Minutes of the [Month, Day, Year] board meeting were reviewed and approved as submitted without corrections.

#### Committee Reports

Management Committee:

Committee Chair, [Name], presented committee activities.

Membership Committee:

Committee Chair, [Name], presented committee activities.

#### Treasurers Report:

Committee Chair, [Name], presented financial activity and reports.

#### Adjournment:

The meeting was adjourned at [Time] by [Affiliate Name] President [Name].



## Appendix C

### **Meeting Agenda, Sample**

#### **Board of Directors Meeting [Affiliate Name]**

[Month, Day, Year, Time]

Call to Order: 6:30 PM

[Name]

Roll Call:

[List of BOD members, names, present/absent, quorum established]

Opening Remarks

[Name]

Welcome and thank you

[Name]

Reading of the minutes and approval

[Name]

Treasurer's Report

Budget Proposal/ Finance

Membership

Program

Scholarship/Continuing Education

Bylaws

Communications/Webmaster

Chapter Affairs

Nominations/Elections

Legislative

Delegates Report

Strategic Planning

Unfinished Business

E-voting

New Business

Adjourn

## Appendix D

### Treasurer's Report, Sample

February Treasurer's Report

[Date - Month, Day, Year]

***Balances forward from last statement/report:***

Checking Account	\$	1,441.88
Savings Account	\$	5,738.39
Money Market Certificate	\$	<u>10,000.00</u>
TOTAL	\$	<u>17,180.27</u>

***Income transactions in last period:***

Advertising:	\$	90.00
Dues	\$	30.00
Interest Earned (CD)	\$	55.00
Revenue Sharing		<u>\$1200.00</u>
TOTAL INCOME		<u>\$ 1375.00</u>

***Expense transactions during last period:***

McDonaldson Hospital (postage)	\$	90.00
Zip Printing (flyers)	\$	110.00
Accounting Inc. (audit)	\$	650.00
Hotel California (meeting deposit)		<u>\$1200.00</u>
TOTAL EXPENSES		<u>\$2,050.00</u>

***Ending Balances:***

Checking Account	\$	711.88
Savings Account	\$	5738.39
Money Market Certificate		\$10,055.00

## Appendix E

### Code of Conduct, Sample

#### Introduction

Members of the Board, other volunteers and staff carry certain duties and responsibilities for the well-being of the [Affiliate Name]. This Code of Conduct outlines some of those duties and responsibilities in accordance with governing documents.

#### Duties and Responsibilities

Members of the Board, other volunteers and staff agree:

- To faithfully abide by the articles of incorporation, bylaws and policies of the organization;
- To act in the best interests of, and fulfill their obligations to, [Affiliate Name] and its members;
- To act honestly, fairly, ethically and with integrity;
- To conduct themselves in a professional, courteous and respectful manner;
- To comply with all applicable laws, rules and regulations;
- To act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- To act in a manner to enhance and maintain the reputation of [Affiliate Name];
- To disclose potential conflicts of interest that they may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matter, in which the Board member has or may have a conflict of interest;
- To make available to and share with Board members any information that may be appropriate to ensure proper conduct and sound operation of [Affiliate Name]'s governance and management;
- To respect the confidentiality of information relating to the affairs of [Affiliate Name] acquired in the course of service, except when authorized or legally required to disclose such information;
- To not use information acquired in the course of service for personal advantage;
- To not violate any federal, state or local laws governing the organization and to understand and adhere with all governing documents applicable to [Affiliate Name];
- To ensure the right of all members to access benefits and services without discrimination on the basis of the [Affiliate Name]'s volunteer or staff make-up in respect to gender, sexual orientation, national origin, race, religion, age, political affiliation or disability, in accordance with all applicable legal and regulatory requirements.

#### Violations/Breeches

Violations or breeches of the Code of Conduct may result in disciplinary action in accordance with the governing documents. Discipline may include removal of a Board member from office or termination of a staff member.

#### Acknowledgement of Receipt

I acknowledge that I have received and read a copy of the Code of Conduct and that I am responsible for compliance.

---

Printed Name

---

Signature

---

Date

## **Appendix F**

### **Whistleblower Policy, Sample**

#### **Purpose**

[Affiliate Name] is committed to high standards of ethical, moral and legal business conduct. In line with this commitment and [Affiliate Name]'s commitment to open communication, this policy provides an avenue for Board Members, other volunteers and staff to raise concerns.

The Whistleblower Policy is intended to offer protections if a Board Member, other volunteer or staff member raises concerns, including but not limited to:

- incorrect financial reporting;
- unlawful activity;
- activities that are not in line with [Affiliate Name] policy or Code of Conduct; or
- any other activities that constitute serious improper conduct.

#### **Reporting Responsibility**

It is the responsibility of all Board Members, volunteers and staff members to comply with the Code of Conduct and to report violations or suspected violations in accordance with this Whistleblower Policy.

#### **Retaliation**

No board member, volunteer or staff member who in good faith reports a concern shall be subject to harassment, retaliation or in the case of a staff, adverse employment consequences. Moreover, a volunteer or staff member who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment. This Whistleblower Policy is intended to encourage and enable staff and others to raise serious concerns within the organization prior to seeking resolution outside of the organization.

#### **Reporting Concerns**

##### **Staff**

Staff members are encouraged to share their questions, concerns, suggestions or complaints with the Executive Director. If, after speaking with the Executive Director, the staff member continues to have reasonable grounds to believe the concern is valid, the staff member should report the concern to the Vice President of the Board. In addition, if the staff member is uncomfortable speaking with the Executive Director, or the Executive Director is the subject of the concern, the staff member should report his or her concern directly to the Vice President.

The Executive Director is required to report concerns to the Vice President of the Board, who has specific responsibility to notify all reported violations to the Executive Committee. If the Executive Director, for any reason, does not promptly forward the concern to the Vice President, the reporting staff member should directly report the concern to the Vice President.

##### **Board Members and Other Volunteers**

Board Members and other volunteers should submit concerns in writing directly to the Vice President of the Board. If the Vice President is involved or is believed to be involved in the matter being reported, the reporting individual shall instead express their concern to another member of the Executive Committee.

## **Sample Whistleblower Policy, etc.**

### **Handling of Reported Violations**

The Vice President shall immediately notify the Executive Director and the members of the Executive Committee of reported concerns. The Vice President will notify the sender and acknowledge receipt of the concern within five business days, if possible. It will not be possible to acknowledge receipt of anonymously submitted concerns.

The Executive Committee is responsible for promptly investigating and resolving all reported concerns. All reports shall be promptly investigated within a reasonable period of time, and appropriate corrective action shall be recommended to the Board, if warranted by the investigation. In addition, action taken must include a conclusion and/or follow-up with the reporting individual for complete closure of the concern.

The Executive Committee has the authority to retain outside legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the allegations.

### **Acting in Good Faith**

Anyone reporting a concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting or auditing practice, or a violation of the Code of Conduct. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from the volunteer position or termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

### **Confidentiality**

Reports of concerns may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of concerns will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Disclosure of reports of concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from the volunteer position or termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

## Appendix G

### Record Retention Schedule, Sample

Records Retention Schedule					
<u>Item</u>	<u>Permanent</u>	<u>10 yrs</u>	<u>7 yrs</u>	<u>5 yrs</u>	<u>3 yrs</u>
Auditor's Reports	X				
Bank statements, reconciliations	X				
Cash Disbursement & Receipts Journals	X				
Annual financial statements	X				
Annual reports	X				
Bylaws	X				
Minutes	X				
IRS tax exemption	X				
Claims and litigation files		X			
Leases		X			
Employment Contracts		X			
Contracts			X		
Leases and property titles			X		
Petty cash voucher and expense reports			X		
Canceled checks and bank statements			X		
Budget and financial reports			X		
Payroll records			X		
Cancelled paychecks			X		
Tax records (U.S.: W-2s, W-9s, 1099s)			X		
Organization budgets				X	
Financial forecasts				X	
Expired insurance policies					X
Asset purchase receipts & repair records					X
Deposit slips					X
Records Retention Schedule, cont.					
<u>Item</u>	<u>Permanent</u>	<u>10 yrs</u>	<u>7 yrs</u>	<u>5 yrs</u>	<u>3 yrs</u>

Receipted bills					X
Bills rendered					X
Treasurer's reports					X
Expense reports					X
General correspondence					X

*SOURCE: Money Rules! (2000, Association of Junior Leagues International, Inc.), Record Retention Policies for Associations and Societies, (2005, Howe & Hutton, LTD), Records Retention/Destruction Guidelines, (Barnes & Thornburg LLP).*

## Appendix H

### **Conflict of Interest Policy, Sample #1**

**POLICY STATEMENT:** Board members, officers and contracted staff of (“Persons”) will act in a manner to put the interests of the [Affiliate Name] before any personal benefit.

**PURPOSE:** The purpose of this policy is to ensure that decisions about [Affiliate Name]’s operations and the use of [Affiliate Name]’s assets are made solely in terms of benefit to [Affiliate Name] and are not influenced by any private profit or other personal benefit to the individuals affiliated with [Affiliate Name] who take part in the decision. In addition to actual conflicts of interest, Persons are also obliged to avoid actions that could be perceived or interpreted in conflict with [Affiliate Name]’s interest.

**SCOPE:** “Persons” shall mean and include members of the Board of [Affiliate Name] and any officer or contracted staff of [Affiliate Name].

**DEFINITIONS:** “Involved in a [Affiliate Name] business transaction” means initiating, making the principal recommendation for or approving a purchase or contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction; owing an interest of any type in any entity doing or proposing to do business with [Affiliate Name]; or authorizing or making payments from [Affiliate Name] accounts. That language is intended to include not only transactions for [Affiliate Name]’s products or procurement of goods and services, but also for the disposition of [Affiliate Name] property and the provision of services by [Affiliate Name].

A “possible conflict of interest” is deemed to exist where the Person, a close relative, or a member of that Person's household, is an officer, Board member, employee, proprietary partner, shareholder or trustee of, or, when aggregated with close relatives and members of that Person's household, holds 1% or more of the issued stock or other ownership interest in the organization seeking to do business with [Affiliate Name].

A “possible conflict of interest” is also considered to exist where such a Person is (or expects to be) retained as a paid consultant or contractor by an organization which seeks to do business with [Affiliate Name], and whenever a transaction will entail a payment of money or anything else of value to the official, to a close relative, or to a member of that Person's household.

A “possible conflict of interest” exists when an individual affiliated with [Affiliate Name] has an interest in an organization which is in competition with a firm seeking to do business with [Affiliate Name] if the individual's position gives him or her access to proprietary or other privileged information which could benefit the firm in which he or she has an interest.

A “possible conflict of interest” exists when a [Affiliate Name] member is an elected officer, a member of the Board of Trustees, or committee member of the [Affiliate Name] and is also an elected officer, member of the Board, or committee member of another professional organization.

The foregoing descriptions are merely examples of possible conflicts of interest and are not intended to be an exhaustive list.



## **Conflict of Interest Policy, etc**

**IMPLEMENTATION:** Any Person who may be involved in a [Affiliate Name] business transaction in which there is a possible conflict of interest shall promptly notify the President or Executive Director. The Person shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The Person (if serving on the Board) may not vote with respect to a [Affiliate Name] business transaction in which he or she has a possible conflict of interest. Furthermore, the Person or the President shall disclose a potential conflict of interest to the other members of the Board before any vote on a [Affiliate Name] business transaction, and such disclosure shall be recorded in the Board minutes of the meeting at which it is made.

Any [Affiliate Name] business transaction which involves an actual or potential conflict of interest with a Person shall have terms which are at least as fair and reasonable to [Affiliate Name] as those which would otherwise be available to [Affiliate Name] if it were dealing with an unrelated party.

This policy shall be made available to each Person who shall complete the attached questionnaire on an annual basis.

**QUESTIONNAIRE:** From time to time, [Affiliate Name] shall circulate questionnaires about conflicts of interest to persons, including upon commencement of service on the Board or employment and at least annually thereafter.

**Appendix I**

**Conflict of Interest Statement/Policy, Sample #2**

It is the policy of the [Affiliate Name] that individuals who serve in elective or appointive positions on the [Affiliate Name]’s Board or committees must avoid conflicts of interest and self-dealing in matters relating to [Affiliate Name] business. Further, based upon their fiduciary duty of loyalty to the [Affiliate Name], such individuals owe an undivided allegiance to the [Affiliate Name] when making decisions affecting the [Affiliate Name] and must not put personal interests, including interests of another professional organization with which they are affiliated, above the interests of the [Affiliate Name]. While individuals in elective or appointive positions, or businesses with which they are affiliated, may engage in business transactions with the [Affiliate Name], such transactions should generally be avoided and must be undertaken only after full disclosure and an independent decision by the appropriate Board or committee.

Any commercial enterprise wishing to do business with the [Affiliate Name] must disclose the names of members of the [Affiliate Name] who are investors, officers, Board members, contracted staff or agents before being considered by the [Affiliate Name]. When any member of an [Affiliate Name] Board or committee may be financially benefited as a result of a decision to be made by such group, that interest must be disclosed and recorded in the minutes and the member must leave the meeting room and neither participate nor vote in the group’s decision.

As a condition for selection, a candidate for the office of Vice-President, Secretary, Treasurer, Editor must sign the following Disclosure Statement and file it with the [Affiliate Name] Secretary prior to announcement of the candidacy to the membership.

In accordance with these policies, each [Affiliate Name] member elected or appointed to the Board or committee must sign the following Disclosure Statement prior to serving.

I, \_\_\_\_\_, declare that I have no proprietary, financial or other personal or professional interest of any nature or kind in any product, service and/or company, including another professional organization, that will, or might, be considered a conflict of interest during my term as an elected or appointed official of the [Affiliate Name] except the following: [Insert any exceptions]

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## **Appendix J**

### **Confidentiality Statement/Policy, Sample**

#### **Confidentiality and Intellectual Property Agreement**

As a volunteer serving on the [Affiliate Name] Board, you have certain fiduciary duties to act in good faith and in the best interests of the [Affiliate Name], including confidentiality obligations. We cannot emphasize too strongly how important it is that the following obligations be observed. Therefore, as a condition and in consideration of your being selected and serving with the [Affiliate Name], you agree to the following:

1. You will not disclose or cause to be disclosed to anyone outside of the [Affiliate Name], its Board, committees or contracted staff, any confidential information related to any [Affiliate Name] activity or program other than that generally authorized for dissemination or approved by the [Affiliate Name], specifically including, but not limited to: the contents of past or present reports, confidential attorney communications, technical developments and information, financial information, corporate strategy or planning material, internal communications, trade secrets, and patented, trademarked, or copyrighted material. This restriction shall apply at all times and in any circumstance, unless otherwise approved in writing by the [Affiliate Name].
2. You will keep all such confidential information in your possession in a safe and secure place, such as a locked hardcopy file drawer or a password protected electronic file and will take all reasonable steps to protect against inadvertent disclosure or theft of the information.
3. Upon expiration of your term with the [Affiliate Name] or one of its committees and upon request, you will promptly return to contracted staff by courier or registered mail, the confidential information that you have received or acquired relating to the [Affiliate Name] and its activities.
4. You hereby assign to the [Affiliate Name] all right, title, and interest in and to any information, product, property, technology, or material developed, conceived, modified, or created by you relating to all [Affiliate Name] programs and activities, technological developments, and policy documents, including any and all financial information, corporate strategy or planning material, internal communications, trade secrets, and patented, trademarked, or copyrighted material, and agree to cooperate fully in taking all steps necessary to perfect and record your assignment of such information.
5. You will not in a false, misleading, or deceptive manner reference your participation with respect to the [Affiliate Name] or specific activities of the [Affiliate Name].

## Appendix K

### Antitrust Policy, Sample

#### [Affiliate Name] Antitrust Compliance Policy

**ANTITRUST POLICY** -- [Affiliate Name] officers, Board members, members, contracted staff and meeting attendees must have a basic understanding of antitrust laws and how they apply to their activities. If they don't, the possibility of subjecting themselves, their employers, and the [Affiliate Name] to an antitrust investigation and prosecution is increased. The following is a list of subjects which shall not be discussed or be the subject of any type of agreement, whether formal or informal, express or implied, among competitors or potential competitors:

- Prices to be charged to patients or customers or by suppliers.
- Methods by which prices are determined.
- Division or allocation of markets or patients or customers.
- Coordination of bids or requests for bids.
- Terms and conditions of sale, including, for example, credit or discount terms, etc.
- Profit levels.
- Levels or schedules of production.
- Hindering the ability of non-members to compete.

Legally inappropriate informal meetings such as at meals or a bar relating to any official topics, are also prohibited.

Should I, subsequent to signing this document acquire such an interest, I will promptly sign and file an amended statement.

Further, having read this document, I understand and agree that as a condition of serving the [Affiliate Name], I will abide by these policies and have completed each to the best of my knowledge and belief.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

## Appendix L

### Model Audit Policy

#### **Internal Audit Policy**

**Purpose:** This policy and procedures have been developed to govern the Internal Audit activity of the [*Inset chartered affiliate name*] in order to apply a systematic, disciplined approach to evaluate and improve the effectiveness of financial management, risk management, and financial control processes. This policy and procedures will be updated annually and updates will be shared with board officers and directors.

#### **Internal Audit Activity Calendar**

[*Develop a calendar for when certain financial reviews need to occur.*]

First Quarter	Review audit policy and yearly plan.
Second Quarter	Review financial statement and tax filing.
Third Quarter	Evaluate plan.
Fourth Quarter	Appoint next year's audit committee.

#### **Roles and Responsibilities of Internal Control Officers**

[*Define the roles each officer must fulfill. Include the responsibilities of individuals authorized to issue checks and electronic payment, individuals that may receive credit cards and petty cash, individual that will receive and review bank statements.*]

- Treasurer will distribute funds and initiate an electronic payment. The treasurer is authorized to use a credit card for recurring payments.
- Vice president will receive banking information and other financial statement to reconcile with distributed funds.
- President or vice president will authorize the electronic payments or be second signatory.
- President or other officer or director may be issued a credit card for affiliate purchases and travel.
- Audit committee members will periodically review the affiliates ledger and provide a response to compliance with established policy.

#### **Review, Acknowledgment, and Response to Internal Audit Reports**

Prior to the distribution of internal audit reports the committee must agree concerning the correctness of the facts surrounding the audit findings. Internal audit reports, whether draft or final reports, are confidential and must have a restricted distribution. The reports, or any part thereof, should only be distributed to the officers and directors or to any other person authorized by the president and agreed upon by the audit committee.

## Appendix M

### Chartered Affiliates Financial Reporting Checklist

**Instructions:**

Chartered Affiliates must complete this report biennially and submit to the Chartered Affiliates Committee no later than 60 days prior to the Fall / Winter House of Delegates Meeting. The Chartered Affiliates Committee will review for compliance with Policy HD016. The affiliate president and either an independent CPA or auditor must attest that the requirements of each category are completed. Initial that each item has been completed.

**Affiliate Budget & Audit Committee Review**

	Annual affiliate audit committee report approved by the board.
	Annual affiliate budget approved by board.

**Not-for-Profit Status: (See policy for definitions.)**

	Not-for-profit status submitted to state department of treasury.
	Federal not-for-profit status submitted to IRS. Must include employer identification, type of not-for-profit status - 501(c)(3) or 501 (c)(6), and annual Form 990 or 990-EZ filing submitted as required.

**Bonding by Affiliate Account Signatories: (Treasurer and another signatory bonding required)**

	Treasurer bonding.
	Executive office staff bonding (if applicable).
	President bonding (if applicable).
	List additional officers who are bonded:

**Financial Monitoring: (One must be completed biennially. Review HD016 Policy for certain requirements.)**

	Financial audit completed by an independent Certified Public Accountant (CPA) or independent auditor. Date of last audit:
	Financial review completed by an independent CPA or independent auditor Date of last review:
	Financial compilation completed by an independent CPA or independent auditor. Date of compilation:

**Affiliate President:**  
(Print) \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Contact Info:**  
(Phone or Email) \_\_\_\_\_

**Name of Independent CPA or Auditor:**  
(Print) \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Contact Info:**  
(Phone or email) \_\_\_\_\_