



AMC Institute Accreditation

Resource Guide and Samples

Prepared by the Accreditation Task Force – July 2011

Chair: Sue Pine, CAE (suep@pcvb.org)

Vice Chair: Vicki Scott (vscott@fernley.org)

Contributing AMCs:

Fernley & Fernley, Inc. AMR
Management Services

Diversified Management Services, Inc.

Melby, Cameron & Anderson

PRRI

Alta Management Services

American National Standard

Printed from AMC Institute website (member.amcinstitute.org) on July 26, 2011

American National Standard

An American National Standard implies a consensus of those substantially concerned with its scope and provisions. This American National Standard is intended as a guide to aid the service provider, the consumer, and the general public. The existence of an American National Standard does not in any respect preclude anyone whether approving the Standard or not, from using processes not conforming to the Standard. American National Standards are subject to periodic review and users are cautioned to obtain the latest editions.

CAUTION NOTICE: This American National Standard is permitted to be revised or withdrawn at any time. The procedures of the American National Standards Institute require that an action be taken to reaffirm, revise, or withdraw this Standard no later than five years from the date of publication. Purchasers of American National Standards receive current information on all Standards by calling or writing the American National Standards Institute.

Published by:
AMC Institute

Copyright April 2002; Revised May 2008 by AMC Institute

Not to be reproduced without specific authorization from AMC Institute

Printed in the USA

This AMC Standard was developed by AMC Institute. The American National Standards Institute (ANSI) recognized AMC Institute as the AMC Standard Developer on March 28, 2000. ANSI approved the AMC Institute AMC Standard in April 2002 and re-approved the revised AMC Institute AMC Standard in May 2008.

Foreword

(This Foreword is not a Part of ANSI/AMCI A100.1-2002)

Members of AMC Institute have developed a Standard of Good Practices for the Association Management Company industry. The purpose of this Standard is two-fold: (1) to collectively enhance management practices across Association Management Companies (AMCs) and (2) to assist AMCs in the establishment of internal quality service systems.

AMCs that conform to the Standard communicate to present and prospective association clients — as well as the marketplace at large - a commitment and ability to deliver the highest services to clients as demonstrated in their performance polices, and procedures.

Further, AMC Institute offers an AMC Accreditation Program closely linked to this Standard. AMCs that can demonstrate the adoption and good use of internal quality service systems, from policy statements to clearly outlined performance requirements and procedures, are eligible to apply for AMC Institute Accreditation.

AMC Institute will take into consideration the request for appropriate revisions to this Standard. Requested changes will be vetted through the AMC Institute Standard Advisory Task Force and through a public review process as per AMC Institute's Standard Procedures and ANSI's Essential Requirement Procedures. AMC Institute's Standard Advisory Task Force will also review any requests for interpretations or appeals related to the Standard.

The first two sections (Scope and Definitions) are meant as background information to serve as a guide for sections 3 through 13.

1. Scope

- 1.1 This Standard establishes requirements that provide a measurement for practices that are utilized by all sizes and types of Association Management Companies (AMCs) in order to enhance the performance of the AMC and its staff.
- 1.2 This Standard establishes requirements that each individual AMC is permitted to use to create its own measurables. An AMC's compliance with this Standard will depend on its adoption and implementation of its own definitions, procedures, and policies as they relate to each element in this Standard.

2. Definitions

- 2.1 Association Management Company (AMC): A for-profit professional service company that manages two or more associations, societies, foundations, or other types of organizations.
- 2.2 Client Team: Employees of an AMC who work together with a particular client or clients.
- 2.3 Performance Policy Statement: A compilation of documents adopted by an AMC containing the procedures it has in place, which will cause it to be in conformance with this Standard.
- 2.4 Performance Service Systems are internal processes (described in sections 3 through 12 of this document) that must be developed, documented, and operational by an AMC. When these systems are in place, an AMC:
 - 2.4.1 Ensures that a client's needs are identified and the services to be provided by the AMC are agreed upon by the AMC and the client;
 - 2.4.2 Requires regular feedback from clients;
 - 2.4.3 Provides for understanding and a prompt response to clients' needs and reasonable requests;
 - 2.4.4 Supports a staff personnel training and development program;
 - 2.4.5 Fosters an organizational culture embracing professional performance attributes; and
 - 2.4.6 Controls costs, improves efficiency, and promotes prompt performance of quality services to the client.

3. Client Contracts: Review Procedures and Requirements

- 3.1 AMCs shall maintain written agreements with their clients whenever feasible:
- 3.2 AMCs shall adopt client contract review procedures, which shall ensure that all contractual requirements are acceptable to the client and the AMC before the AMC agrees to provide services to the client. This includes written service commitments ensuring that service and service delivery processes meet the client's needs and expectations.
- 3.3 AMCs shall adopt and document internal procedures to coordinate the periodic review of client contracts and their amendments.
- 3.4 AMCs shall adopt procedures specifying how client contracts are amended and ensuring that changes in the contract are communicated through the AMC organization.
- 3.5 AMCs shall establish transition procedures that at a minimum include the following:
 - 3.5.1 A Time Table to include the closing or transferring of all accounts, shipment of client materials, and notification to members.
 - 3.5.2 A list of clearly defined responsibilities of current AMC, volunteer leaders and new management.
 - 3.5.3 Established procedures as well as fees and charges for agreed upon services that may be rendered following termination.
 - 3.5.4 A process and timeline for the shipment of materials in an organized manner, with clearly marked files.
 - 3.5.5 The methodology to be used for timely notification to all vendors of management change.
 - 3.5.6 An outside audit by a CPA of the financial records immediately after the transfer of financial responsibilities; or, if no audit is authorized, a release in writing from the client Board that they will accept the financial records as transferred.

4. Servicing the Clients and Service Delivery Procedures

- 4.1 AMCs shall establish service policies and service delivery systems that include the following characteristics:
 - 4.1.1 Quantity and types of services to be provided;
 - 4.1.2 Competence and knowledge of staff servicing the client;
 - 4.1.3 Service accessibility and availability;
 - 4.1.4 Service speed and accuracy;
 - 4.1.5 Ability to increase and expand services for the client with appropriate staff;
 - 4.1.6 Ensure that the client is the focal point of the policy;
 - 4.1.7 Emphasize the importance of customer satisfaction;
 - 4.1.8 Provide an internal communication policy that emphasizes performance of service;
 - 4.1.9 Measure the performance of the service and service delivery processes against established objectives;
 - 4.1.10 Establish methods to improve performance.
- 4.2 AMCs shall establish responsibilities owed to the client and assign authority to staff for implementation.

- 4.3 AMCs shall establish a system of internal communication including, as appropriate, briefings, meetings, memos, email, reports, and telephone conversations with staff on the client team.
- 4.4 AMCs shall establish a system of communication with clients including staff communication and interaction, reaction to client expectations and comments, and information about the AMC and the services being provided.
- 4.5 AMCs shall establish procedures to correct or prevent failures to perform as they are identified by the client or the AMC.

5. Project (Service) Completion, Reviews, and Post-Contractual Procedures

- 5.1 AMCs shall adopt methods for clients to use to evaluate the performance of AMC services, including methods for measuring client satisfaction.
- 5.2 AMCs shall adopt an internal measuring system that evaluates service performance and provides a basis for identifying areas where performance needs improvement.

6. Financial Management and Internal Controls

- 6.1 AMCs shall establish procedures that ensure that the most recent year-end financial statements present fairly, in all material respects, the financial position and changes in net assets, and that cash flows at year-end are in conformity with generally accepted accounting principles (GAAP) as determined by the American Institute of Certified Public Accountants or corresponding organization for internationally based AMCs.
- 6.2 AMCs shall establish procedures that ensure financial control and reporting systems, which conform to GAAP, are in place and utilized as appropriate.
- 6.3 AMCs shall adopt a written policy that prohibits co-mingling of any and all client assets with AMC or any other client assets.
- 6.4 AMCs shall adopt written policies and procedures to protect the privacy and integrity of client's proceedings, records, and data.
- 6.5 AMCs shall adopt policies to ensure disclosure to clients of all income received from commissions, finders' fees, and other sources directly attributable or related to such clients.
- 6.6 AMCs shall propose to Client Boards the need for an outside independent review or audit of all financial transactions and records by a qualified third party (CPA or non-US equivalent). The recommendation should be noted in the Board's formal minutes. If the Board approves the audit, it will be paid for by the Client.
- 6.7 AMCs shall propose to Client Boards the need for General Liability and Association Professional Liability Insurance (APLI) Policies; if declined, a release in writing from the client Board indicating that they declined to pay for this insurance coverage shall be executed.

7. Insurance Coverage

- 7.1 AMCs shall have in place a comprehensive insurance program that provides the following minimum coverage where such coverage is available in the state or country where the AMC has its headquarters.

	Minimum Amount or Recommendation for AMC to determine amount based on the suggested criteria.
7.1.1 Commercial General Liability	\$1,000,000
7.1.2 Property (including property in transit)	Full value of property
7.1.3 Valuable Papers	Full value to reconstruct
7.1.4 Employee Dishonesty	For both AMC and client property
7.1.5 Money and Securities	Maximum amount of cash on hand including convention receipts
7.1.6 Computer Equipment and Data	Full value of equipment and reconstruction of data
7.1.7 Non-Owned and Hired Auto Liability	\$1,000,000
7.1.8 Worker's Compensation	Minimum amount based on each state's regulations
7.1.9 Errors and Omissions	\$1,000,000

8. Employee Recruitment and Selection

- 8.1 AMCs shall adopt a procedure for creating, reviewing, and updating employee job descriptions, and shall adopt procedures for interviewing and assessing candidates for positions within the AMC.
- 8.2 AMCs shall adopt a procedure for exit interviews and personal assessments from departing employees.

9. Employee Training and Professional Development Procedures

- 9.1 AMCs shall adopt an evaluation procedure for all employees covering competencies, performance assessment, and professional development.
- 9.2 AMCs shall provide periodic training in the following areas:

- 9.2.1 Process monitoring and control;
- 9.2.2 Data collection and analysis;
- 9.2.3 Performance improvement and corrective action;
- 9.2.4 Teamwork, interaction, and communications.

10. Subcontracting and Purchasing Requirements

- 10.1 AMCs shall adopt procedures to ensure that due diligence is exercised when purchasing products or services for clients and that they meet all service requirements.
- 10.2 AMCs shall adopt procedures to ensure that due diligence is exercised when preparing purchase or service orders and bid/quote documents for clients.
- 10.3 AMCs shall adopt procedures that permit the AMC or clients to verify acceptability of products or services purchased.
- 10.4 AMCs shall adopt procedures for evaluating the hiring of subcontractors. Include the following:
 - 10.4.1 The subcontractor's service procedures and facilities;
 - 10.4.2 Samples of the subcontractor's products or services;
 - 10.4.3 Experience other companies have had with the subcontractor.
- 10.5 AMCs shall adopt procedures to track and record the identity and use of products and services provided by subcontractors and used by the AMC to service clients.

11. Record Keeping Requirements

- 11.1 AMCs shall adopt a records retention policy that identifies and defines the information and records that are to be retained and identifies what property, files, data, and materials are the property of the client.
- 11.2 AMCs shall adopt procedures to maintain and control a record-keeping system to:
 - 11.2.1 Collect and record information (create records);
 - 11.2.2 File, index, store, and maintain records;
 - 11.2.3 Remove, archive, or destroy old records on a predetermined time basis;
 - 11.2.4 Prevent records from being altered without approval of a designated authority;
 - 11.2.5 Safeguard records from damage or deterioration;
 - 11.2.6 Protect records from unauthorized access.
- 11.3 AMCs shall adopt a business continuity plan that will include at a minimum.
 - 11.3.1 Procedures for the management of electronic back-up of software and electronic records;
 - 11.3.2 Communications to inform staff, members, vendors, etc. about recovery plan
 - 11.3.3 Building evacuation plan;
 - 11.3.4 Options for temporary facility in the event current office(s) is (are) not available.

12. Internal Audit Procedural Requirements

- 12.1 AMCs shall adopt internal audit procedures that:
 - 12.1.1 Determine whether performance complies with the AMCs written plans, procedures, and programs;
 - 12.1.2 Verifies the effectiveness of the AMCs corrective actions.
 - 12.1.3 Audit activities are appropriately planned;
 - 12.1.4 Internal auditors are independent of the procedures and people being audited and external auditors are recognized independent entities;
 - 12.1.5 Audit results, corrective actions, and corrective action results and consequences are appropriately recorded;
 - 12.1.6 Audit conclusions are discussed with the people whose activities and results are being audited, and deficiencies are corrected;
 - 12.1.7 Copies of the audit reports are kept on file for future reference in accordance with the records retention policy, but for not less than four years.

For a comparison between the April 2002 version and the May 2008 version of the ANSI Standard of Good Practices for the Association Management Company Industry please [click here](#).

3. CLIENT CONTRACTS: REVIEW PROCEDURES & REQUIREMENTS

3.1 AMCs shall maintain written agreements with their clients whenever feasible.

3.2 AMCs shall adopt client contract review procedures, which shall ensure that all contractual requirements are acceptable to the client and the AMC before the AMC agrees to provide services to the client. This includes written service commitments ensuring that service and service delivery processes meet the client's needs and expectations.

3.3 AMCs shall adopt and document internal procedures to coordinate the periodic review of client contracts and their amendments.

3.4 AMCs shall adopt procedures specifying how client contracts are amended and ensuring that changes in the contract are communicated through the AMC organization.

3.5 AMCs shall establish transition procedures that at a minimum include the following:

3.5.1 A Time Table to include the closing or transferring of all accounts, shipment of client materials, and notification to members.

- List of F&F Clients with Contract Renewal Dates
- Management Agreement

- Contract File Cover Sheet
- Core Services Document
- New Client Contract Procedure
- Management Fee Form

- Current Client Contract Review Procedure
Contract Renewal Memos

- Amendments/Addendums to Original Management Agreement

- Transition Process – See Mgmt. Agreement Section F.4.

- Transition Procedure

- Transition Checklist

- Transition Meeting Agenda

<p>3.5.2 A list of clearly defined responsibilities of current AMC, volunteer leaders and new management.</p> <p>3.5.3 Established procedures as well as fees and charges for agreed upon services that may be rendered following termination.</p> <p>3.5.4 A process and timeline for the shipment of materials in an organized manner, with clearly marked files.</p> <p>3.5.5 The methodology to be used for timely notification to all vendors of management change.</p> <p>3.5.6 An outside audit by a CPA of the financial records immediately after the transfer of financial responsibilities; or, if no audit is authorized, a release in writing from the client Board that they will accept the financial records as transferred.</p>	<ul style="list-style-type: none"> • Transition Agreement • Content List for Shipping
---	---

3.3 - Sample – Contract Review Procedure (current clients)

This procedure was developed as the standard operating procedure with regards to Fernley client contracts and fee negotiations. It is the responsibility of each account executive, the accounting manager and members of the new business development team to ensure that this procedure or an approved modified version of this procedure is followed.

1. The management fee associated with each account is evaluated annually, usually approximately 60 days prior to preparation of the next year's budget. Since the majority of Fernley's clients have an automatic term renewal clause in their agreement, it is usually not necessary to draft a new or modified agreement.

2. On an annual basis, the account executive will review and revise the current Core Services document to confirm if the scope of services has changed during the previous 12-months. The account executive receives monthly cumulative time reports (in most cases) in order to manage staff allocations and should share those reports with volunteer leaders regularly. Prior to determining the percentage fee increase, the account executive should schedule a meeting with the F&F COO to jointly review the time and profitability reports and to discuss any other issues that may impact the amount of staffing required for the coming year.
3. A recommended fee increase is determined and is presented to the appropriate volunteer leader(s) by the account executive with supporting documentation, if requested. Once initial approval has been given, the adjusted fee is included in the budget which is usually approved by the Board and documented within the meeting minutes.
4. On an annual basis, each account executive must submit a new management fee form to the Accounting Department (Blank forms can be found on the F&F WIKI or obtain from the Accounting Department). The form must be signed by the account executive, the management liaison, and the Accounting Department manager. Supporting documentation must accompany the form, including a copy of the meeting minutes or other written verification that the fee increase has been approved by the Board and a copy of the approved association budget showing the approved management fee for the fiscal year. The completed forms are maintained in a binder located in the Accounting Department.
5. In the event that a new agreement, addendum, or amendment is required (usually when there is a dramatic change in the scope of services), one is drafted and signed by all parties. All fully executed agreements are maintained in the client's permanent contract file located in a filing cabinet in the COO's office. All pertinent client documents are maintained in the contract file. The executed contract is also scanned and saved electronically under Fernley/Contracts/Client Name. This file is protected from general access. A copy of the current management agreement and exhibits should be maintained in the client's individual operations manual as well.

4. SERVICING THE CLIENT & SERVICE DELIVERY PROCEDURES

AMR has developed procedures for servicing our clients to ensure they are served by knowledgeable AMR personnel that are available and accessible.

The Client Service Agreement

The Client Service Agreement and the Annual Workplan define the terms and conditions of the contract and the scope of services for each renewable term. The documents also define the client's responsibilities to AMR.

Summary of Staff Competencies and Knowledge

AMR maintains information regarding staff areas of expertise to assist the Account Executive, AMR President, and AMR Chief Operating Officer (AMR COO) when assigning individual staff to service client contracts. The Executive Team (ET) maintains a number of reports that summarize employee information, one of which is the summary of AMR personnel qualifications. This report provides an overview of each individual employee's education, professional certifications, memberships, experience, as well as their current AMR position and job responsibilities.

Service Accessibility and Availability

AMR provides its clients with timely service in person and via a variety of electronic means. Telephones are answered between 8:00am and 5:00pm E.T. Monday through Friday. Voice mail, which can be checked remotely by AMR staff, is available after hours and on weekends and holidays. Faxes are received and are routed electronically to the intended recipient. AMR staff can also be contacted via direct e-mail addresses, which are also accessible remotely via the web. Employees can access any services or files through a secure VPN connection via AMR computers/laptops. Additionally, AMR Directors are provided a mobile phone with email capability to aid in communication during times out of the office and away from a computer. Altogether, AMR staff can reliably maintain regular and emergency contact with clients, at any time and from any place with telephone and/or internet access.

Service Speed and Accuracy

AMR personnel respond to numerous planned and unplanned phone calls and emails daily. Phone calls can arrive at the AMR switchboard or directly to a specific employee. Emails can arrive directly in an individual's in-box or be routed from a general email inquiry over the Internet. Phone calls, emails and in-bound faxes are routed to the proper person to address the specific inquiry. Account Executives, as well as Issue and Project Coordinators, respond to association board members, general members and others who have a need related to the association's projects or issues. AMR's Shared Services staff can address questions related to a member's records, purchase of a publication, registration for a conference, or other general service needs. Our clients and their members, as well as potential clients, receive immediate attention while random calls from the public or solicitors are responded to as convenient. Accuracy and speed are monitored by AMR's Account Executives, AMR President and AMR COO.

The services specified in the Annual Workplan/Client Service Agreement are scheduled and delivered based on the needs of the client committees, task forces, meeting deadlines, and other criteria defined by the client. These timelines are developed through regular discussions with the client in face-to-face meetings and conference calls. The Account Executive, AMR President and AMR COO monitor the delivery of Workplan services (Schedule of Services for a la carte agreements) to ensure they are delivered accurately and timely. Client Board members and Committee Chairs also monitor the AMR staff's responsiveness, timeliness and accuracy and contact the Account Executive, AMR President, or AMR COO if there is any concern.

Expanded Service Delivery

AMR readily accepts increased and expanded services to better meet our clients' needs. Through AMR Shared Services departments and account team staff, support is provided to ensure that existing services are delivered at the expected level of speed, accuracy and quality, and are not compromised by the addition of new services or other AMR clients. The Account Executive, AMR President and AMR COO monitor the Annual Workplans and time lines on a regular basis and conduct regular meetings with assigned team members.

It is a requirement of all AMR employees to assist the client in identifying additional or expanded services that will improve the benefits to the clients' members. Once these services have been identified, the Account Executive, AMR President and AMR COO prepare recommendations and proposals including pricing for the client leadership.

The Client is the Focal Point of Our Policies

AMR is a full-service association management firm dedicated to improving the effectiveness of associations, their leaders and members. By implementing policies and procedures we reinforce our commitment to exceeding client expectations and to making all their activities a success. AMR has a Vision, Mission, Goals, Values and Culture that emphasize the importance of providing a quality service for our clients. Each employee's job description also emphasizes the importance of putting the customer first.

Client Satisfaction

AMR employees want to reinforce and enhance our efforts to please our client associations, for we understand that we must earn their business and trust every day. The Association Partnership Assessment Survey is one way to enable our client partners to provide an annual assessment of our services and relationship. The responses provide AMR and the client Boards an opportunity to discuss specific issues where communication and services can be improved or enhanced for the benefit of the client. The Association Partnership Assessment Survey is conducted annually with each full-service client Board.

Internal Communication Systems and Procedures

It is the Company's policy that it is the responsibility of the Shared Services Department staff and the Account Team staff to ensure that contracted client services (scope, deadlines, and assigned parties) are clearly communicated internally. The AMR President or AMR COO meets regularly with the Account Executives and Shared Services Department Directors to review timelines, scopes, deadlines, staffing allocations and other client service issues. Each Account Team or Shared Services Department Team meets as needed, some weekly and some more/less frequently. All AMR employees meet monthly on the fourth Thursday for a company staff meeting to communicate important client and company information. AMR uses internal email for fast and convenient communication. We utilize electronic calendars and schedule meetings and conference calls through this technology. The Annual Workplans, timelines and AMR staff allocation spreadsheets allow the Company to maintain and monitor the success of internal communication on the basis of quality performance of client services. We also utilize AMR client operating and policy manuals to ensure communication systems are utilized and procedures are followed.

External Communications and Collaboration

The Workplan/Schedule of Services creates structure and expectations for the staff to use as a guide for communicating with the client. In addition to the daily use of standard communication systems such as email, listservs, telephone conversations, and regular correspondence, the staff also communicates with the client on a more formal level through conference attendance, activity reports, monthly financial statements, strategic planning meetings and regular group conference calls with the client leadership. Additionally, some AMR clients now utilize various social media technologies to communicate and collaborate externally.

Service and Service Delivery Performance Measures

Company service and service delivery is measured both internally and externally. It includes measures of timely delivery and development of goals and objectives. Reporting tasks completed and tracking time spent on client projects allows AMR to monitor their progress and ensure that service and service delivery are effectively meeting the client's needs and the Company's contractual obligations.

Performance Improvement Methods

AMR consistently serves the client with speed and accuracy to ensure customer satisfaction. Service and service delivery is carefully monitored to assist the Company in identifying areas of strengths and weakness. To improve any areas of weakness and expand on areas of strength, ongoing performance improvement methods have been developed. These include internal staff meetings, employee and service delivery evaluations, professional memberships and both internal and external employee training.

Implementing Staff Responsibilities and Authority

Using the Client Service Agreement and Workplan for each client, the Account Executive and AMR President (with support of the AMR COO) assign staff responsibilities. The AMR staff allocation spreadsheet is used to document specific staff responsible for each task in the Annual Workplan/Schedule of Services.

Procedures to Correct or Prevent Failures to Perform

The Account Executives are responsible for client satisfaction and are in regular contact with the client Boards and leaders to obtain feedback. The AMR President or AMR COO contacts the client Presidents periodically throughout the year by phone and at least once face-to-face to solicit feedback on what is going well and what needs improvement. The AMR Account Executives monitor the performance of client service teams daily and take appropriate action to provide training, coaching, discipline or other remedies to correct or prevent performance problems. Account Executives and Shared Service Department Directors work collaboratively to ensure the assigned client service team members understand assignments and expectations to meet performance standards.

5. PROJECT (SERVICE) COMPLETION, REVIEWS, AND POST-CONTRACTUAL PROCEDURES

Methods for Clients to Evaluate AMR Performance and Provide Feedback

AMR Management and staff regularly review the Annual Workplans (Schedules of Services for a la carte agreements) and have on-going communication with our clients regarding the status of projects and the satisfactory completion of projects. The most significant indications of successful post contractual reviews is the client's renewal of the contract for another year and the expansion of AMR services into more significant areas of responsibility.

AMR Account Executives communicate the status of projects and services through scheduled Board meetings; written agendas and background materials; monthly, semi-monthly or periodic written status reports; strategic planning meetings and goal setting/evaluations; etc. Regular scheduled conference calls with committees are held to discuss project status and summaries are provided to the client Board of Directors.

For Full-Service clients, the AMR President or AMR Chief Operating Officer (AMR COO) has conversations with the client presidents periodically to discuss performance and contract issues. Additionally, the Association Partnership Assessment Survey is used by our client partners to provide an annual assessment of our services and relationship. The responses provide AMR and the client Boards an opportunity to discuss specific issues where communication and services can be improved or enhanced for the benefit of the client. The Association Partnership Assessment Survey is conducted annually with each full-service client Board.

AMR Methods and Systems for Evaluating Service Performance

The Annual Workplan (Schedules of Services for a la carte agreements) for each client defines the scope of services AMR has agreed to provide. The Workplan is developed interactively with the client through development of strategic plans, goals, timelines and budgets. The status of project initiatives, timelines and budgets is reviewed with the client monthly or other periodic basis as determined by the client Board of Directors. The reviews occur during Board meetings through staff updates or committee reports. The financial statements are presented and discussed so that the financial status of projects and services is understood and evaluated.

The AMR Executive Team (ET) has regular meetings where the status of projects is discussed and resource allocation decisions are made. The ET has periodic retreats (at least annually) where AMR's methods, systems, policies, procedures, organization structure, training plans, etc. are evaluated for effectiveness and improvement. Employee performance reviews are based in part on the employee's performance on assigned client responsibilities as defined in the Client Service Agreement, Annual Workplan/Schedule of Services, staff allocation worksheet, and the role assigned by the employee's Account Executive.

6. FINANCIAL MANAGEMENT AND INTERNAL CONTROLS

6.1 AMCs shall establish procedures that ensure that the most recent year-end financial statements present fairly, in all material respects, the financial position and changes in net assets, and that cash flows at year-end are in conformity with generally accepted accounting principals (GAAP) as determined by the American Institute of Certified Public Accountants or corresponding organization for internationally based AMCs.

6.2 AMCs shall establish procedures that ensure financial control and reporting systems, which conform to GAAP, are in place and utilized as appropriate.

DMS prepares all financial statements using a modified accrual method of accounting. This method is in conformity with generally accepted accounting principles.

Although clients may request financial information in varying formats, DMS uses MultiLedger, a double entry financial software package, to prepare financial statements conforming to GAAP. Statements are then tailored structurally to the individual clients' needs while maintaining the integrity of the information provided.

DMS maintains a close relationship with a CPA firm that specializes in non-profit organizations in order to address any issue that may arise concerning classification of income and expenses.

Financial statements are prepared monthly and presented in pdf format for each client. DMS Account Executives and the Treasurer of each client review financial statements monthly. Verification of cash/investment balances is available to the Treasurer.

Sample financial statements are attached as Exhibit 13.

Accounting Department Policies can be found in the accounting portion of the operations manual – Appendix 2:

- Accounting Duties and Procedures Exhibit
- Client Billing Policy Exhibit
- Check Signing Policy Exhibit

Policies for staff management of client funds can be found in Appendix 3 – Employee Operations Manual

- Accounting Procedures
- Onsite Payment Policy & Procedures
- Credit Card/Expense Reimbursement Policy & Procedures

6.3 AMCs shall adopt a written policy that prohibits co-mingling of any and all client assets with AMC or any other client assets.

DMS requires and maintains separate checking/investment accounts for each individual client. (see appendix 2 DMS Operations manual – accounting policies) These accounts are maintained at the financial institution of the client's choice. Client assets are never co-mingled with assets of DMS.

Client assets are not co-mingled with other client assets, with one exception. In order to meet PCI compliance, a merchant bank account is maintained to receive offsite deposits of credit card payments via a portable secure terminal. This allows us to insure the security of all credit card holder data by avoiding transporting any hard copy credit card information. All clients using credit cards as a form of payment were made aware of this procedure in advance. Meticulous records are kept and the assets, less processing expenses, are distributed to the clients on a monthly basis.

6.4 AMCs shall adopt written policies and procedures to protect the privacy and integrity of client's proceedings, records, and data.

DMS has adopted the following written policies to ensure the privacy and integrity of clients proceedings records and data:

All DMS client contracts (Exhibit 1 Section 4 d) include the following clauses:

[Client] shall, at all times, have ownership rights to materials developed and all property acquired by or paid for by [Client], either prior to or during the term of this Agreement, for its exclusive use or purposes, including, but not limited to: database(s), website, membership files, general files, meeting supplies, publications, graphics, trademarks, logos, contractual rights, and membership and vendor lists. These materials and property shall be transferred to [Client] following the payment of all monies due DMS pursuant to this Agreement, except for any amount which is the subject of any dispute between the Parties as of the effective date of termination.

Data Retention Policy – Appendix 3 – DMS Employee Operations Manual

Data is handled by staff in accordance with the DMS Data Classification Policy and Records Retention Policy, which dictates the manner in which data is handled, stored, and destroyed.

DMS PCI DSS Policy – Appendix 6

DMS is compliant with PCI DSS and maintains cardholder data in accordance with the standards set forth by the Payment Card Industry. (See DMS PCI DSS Policy)

6.5 AMCs shall adopt policies to ensure disclosure to clients of all income received from commissions, finders' fees, and other sources directly attributable or related to such clients.

All income received from commissions, finders' fees, and other sources of revenue directly attributable or related to DMS clients inures to the benefit of the client. DMS does not benefit from any such contracts or relationships.

Policy related to this issue is attached as Appendix 3 – Employee Operations Manual – General Purchasing Policy.

6.6 AMCs shall propose to Client Boards the need for an outside independent review or audit of all financial transactions and records by a qualified third party (CPA or non-US equivalent). The recommendation should be noted in the Board's formal minutes. If the Board approves the audit, it will be paid for by the Client.

DMS recommends to its Client Boards that a review, audit, or – due to the prohibitive costs to some small clients – a self-audit, be performed annually. This recommendation is provided in the form of a letter addressed to the Board of Directors along with the year-end financials.

In addition, DMS contracts (Exhibit 1 Section 4f) require the performance of an exit audit, review, or agreed upon procedures for any client terminating association with DMS. Any client declining one of these procedures is required to sign a written waiver.

A copy of the letter to the Board addressing the audit/review issue is attached as Exhibit 14.

6.7 AMCs shall propose to Client Boards the need for General Liability and Association Professional Liability Insurance (APLI) Policies; if declined, a release in writing from the client Board indicating that they declined to pay for this insurance coverage shall be executed.

DMS proposes to its Client Boards the need for General Liability and APLI insurance. This recommendation is provided in the form of a letter addressed to the Board of Directors along with the year end financials.

A copy of the letter to the Board addressing the insurance issue is attached as Exhibit 15 & 16.

6.6 – Sample Audit Letter to Board

Current Date

Board of Directors
Client Name

This letter is intended as a recommendation that the Board of Directors of (Client Name) perform an annual examination of its financial statements. This examination may be performed by a qualified Certified Public Accounting Firm in the case of an audit, review, or agreed upon procedures, or may be performed by an internal Audit Committee made up of Board Members or (Client Name) volunteers.

Any and all costs incurred in association with this examination of the financial statements are the sole responsibility of (Clients Name).

Compliance, or a decision not to comply, with this recommendation should follow discussion by the Board of Directors and be reflected in the Board Minutes.

This letter was received by (Client Name) Board of Directors on (Current Date).

President

Treasurer

Explanation of Audit Options

Financial Statement Audit including, but not limited to:

- Developing the financial statements and related footnotes.
- Required inquiries and documentation of the Board and management regarding fraud and other matters.
- Developing and documenting audit risks and related audit programs that address the identified risks.
- Obtaining information about internal controls and performing transaction walkthroughs to verify that the described controls are what were in place.
- Additional required correspondence – 1) Internal control deficiency (if any) letter and 2) Governance letter to BOD explaining key audit findings.

Audits, especially initial and one-time audits, tend to be expensive.

Two Options for Audit:

- Financial audit of just the statement of financial position (balance sheet)
- An audit of a full set of financial statements (statements of financial position, changes in net assets (similar to an income statement) and cash flows). Incurs additional costs over above option to test beginning of period balances and the additional statements.

Financial Statement Review where the auditing firm work and reporting includes inquiries and analytical reviews, but no testing is done and an opinion is not given.

Estimates of fees for a financial statement review would be less than a Financial Statement Audit.

Agreed-Upon Procedure Engagement where the auditing firm work and reporting is limited to certain key areas. For completing this the audit, firm would suggest testing the bank reconciliation, including existence of cash, the reasonableness of recorded membership revenue and a test of random disbursements over the past year.

Estimates of fees for an agreed-upon procedures engagement would be considerably less than a Financial Statement Audit. Costs would increase if the Board requests that additional procedures be performed and reported upon.

Self Audit where the auditing of the financial data is performed by members of the organization.

6.7 Sample – Letter to Board re: Need for Insurance

Current Date

Board of Directors

Client Name

This letter is intended as a recommendation that the Board of Directors of (Client Name) provide for the following insurance coverage for (Client Name) and its Board of Directors:

General Liability

Directors & Officers (D&O) or Association Professional Liability (APLI)

Any and all costs incurred in association with the quotation, underwriting, or purchase of these insurance policies are the sole responsibility of (Clients Name).

Compliance, or a decision not to comply, with this recommendation should follow discussion by the Board of Directors and be reflected in the Board Minutes.

This letter was received by (Client Name) Board of Directors on (Current Date).

President

Treasurer

The Board of Directors of (Client Name) decline to procure General Liability insurance policies for (Client Name).

President

Treasurer

The Board of Directors of (Client Name) decline to procure D&O or APLI insurance policies for (Client Name) and its Board of Directors.

President

Treasurer

Diversified Management Services, Inc. has insurance policies in place that may cover certain insurable events while performing duties related to our clients' business including, but not limited to, Money and Securities, Employee Dishonesty and Workers' Compensation.

Recommended coverage for each individual client and its Board of Directors:

Directors & Officers (D&O) or Association Professional Liability (APLI) Insurance These policies cover officers and directors against litigation concerning erroneous decisions made by a board member or the entire board. APLI includes some Employee Practices coverage. Recommended is a Claims Made policy with \$1,000,000 limit of liability/\$2500 deductible.

General Liability Insurance

These policies cover various claims made against the Association, depending on the coverage purchased. Recommended is a small general liability policy that includes crime coverage and hired auto.

Provided By: Fernley & Fernley, Inc.

7. INSURANCE COVERAGE

<p>7.1 AMCs shall have in place a comprehensive insurance program that provides the following minimum coverage where such coverage is available in the state or country where the AMC has its headquarters.</p>	<p>Copy of most recent F&F Property & Casualty Insurance Coverage Summary.</p>
<p>Minimum Amount or Recommendation for AMC to determine amount based on the suggested criteria.</p>	<p>Copy of F&F APLI/D&O insurance policy and Office Pack.</p>
<p>7.1.1 Commercial General Liability \$1,000,000</p>	<p>HR Director maintains all F&F related insurance policies.</p>
<p>7.1.2 Property (including property in transit) Full value of property</p>	
<p>7.1.3 Valuable Papers Full value to reconstruct</p>	
<p>7.1.4 Employee Dishonesty / For AMC and client property</p>	
<p>7.1.5 Money and Securities Maximum amount of cash on hand including convention receipts</p>	
<p>7.1.6 Computer Equipment and Data Full value of equipment and reconstruction of data</p>	
<p>7.1.7 Non-Owned and Hired Auto Liability \$1,000,000</p>	
<p>7.1.8 Worker's Compensation Minimum amount based on each state's regulations</p>	
<p>7.1.9 Errors and Omissions \$1,000,000</p>	

Insurance FAQ-

An AMC questioned the AMCI requirement to submit a letter to their clients about D&O and liability insurance. Their insurance agent stated that if their clients do not have a meeting space/building/employees that belongs to their association, they wouldn't require the General Liability. My concern is that we're supplying a letter to our associations recommending insurance that I'm told they don't need. Should I keep sending the letter and have them contact their insurance provider to determine if it's necessary or not or should the letter be re-worded? I don't want to stray from the AMCI requirements.

RESPONSE:

To a degree the local agent is right, but anytime an association calls upon it's members to meet at a non-owner location, even if it's someone's home, the Association can be held responsible for Bodily Injury or Property Damage resulting from the meeting.

Example, the President of a small association calls a meeting at her home. On her way from the bathroom, to the living room, a member falls down the stairs. There was nothing encumbering her pathway, but the stairs themselves were too steep for her navigation.

Let's add to the equation that the member is 55 with no insurance, and now has suffered a broken wrist.

With a good Lawyer, the member could take the position that she would not have incurred the injury if she had not been called to the meeting, and it had been held at a single level facility. Though the president's homeowner's policy would be called upon, it does not protect the Liability of the Association if it's named in the suit.

This may sound far fetched but where the meeting is held does not eliminate liability. With the economy being what it is, when injured, attorney's look for what may appear to be the deepest pocket.

Now, if the Association never gathers together, that's an entirely different story.

Aside from the protection in the event of a lawsuit, as part of the Liability coverage is a provision called Medical Payments. This is No Fault coverage geared to avoid a claim from escalating to a lawsuit. Regardless of fault, this provision covers the expenses for:

- The Ambulance;
- The Emergency Room;
- Ex-rays;
- Casting;
- Medication, and
- Follow-up care

It is a fact, individuals are less likely to seek legal assistance when their injury expenses are taken care of immediately. Though insurance is considered a financial transfer of liability, purchasing coverage also has it's own loss reduction affect.

Just one more point, the comment made by the broker regarding employees, if there are no employees, there's not potential (vicarious) liability that can come from their actions. But, the greater exposure created by taking on staff lies in the Associations need for Workers' Compensation coverage.

I hope this helps.

Best regards,
Gail Farrett
Marsh Consumer
(312) 627-6090 (Office)
(847) 877-5811 (Cell)
gail.farrett@marshpm.com

8. EMPLOYEE RECRUITMENT AND SELECTION

8.1 AMCs shall adopt a procedure for creating, reviewing, and updating employee job descriptions, and shall adopt procedures for interviewing and assessing candidates for positions within the AMC.

As noted in Section 4.1.2, MCA has a written job description for each employee (see Exhibit 4.1.2). Per our Employee Handbook (page 3), it is reviewed at least annually, as part of the annual performance review process (Exhibit 9.1). The job description includes a list of Qualifications/Experience/Knowledge/Specialized Training Required. When we have a vacancy to fill, we review the job description and the desired experience/qualifications to assess whether there may be changes in the position or capabilities before we proceed with seeking candidates for the vacancy. Depending on the position, we also assess whether there is an existing MCA employee who might be qualified and interested in the position. We have on file a packet of information to assist with the interview and hiring process. See Exhibit 8.1 for samples of these materials.

8.2 AMCs shall adopt a procedure for exit interviews and personal assessments from departing employees.

See Exhibit 8.2 for samples of the exit interview forms used by Melby, Cameron & Anderson when an employee voluntarily leaves our employ. We have an in-person exit interview (preferred method) and a form for a mail-in exit survey.

Sample – Employee Exit Interview *(in person)*

Name: _____ Date of Exit: _____

What was your main reason for leaving the company?

What were your secondary reasons?

Could anything have been done to prevent you from leaving?

What can you say about the processes, procedures or systems that contributed to your decision to leave?

What extra responsibility would you have welcomed that you did not receive?

How could the organization have enabled you to make fuller use of your capabilities and potential?

What did you like best and least about the job?

How would you describe the company culture?

What would you say about the communication from leaders and what could be done to improve it?

How well do you think your training and development needs were met?

How thoroughly do you feel you have a grasp on the field of association management and on your position responsibilities in particular?

What can you say about the way you were managed?

What things did the organization or management do to make your job more difficult/frustrating/non-productive?

Would you consider working for us again if the situation were right?

Would you like to share where you are going (if you have decided)?

What is it about that company that makes you want to join them?

What are they offering that we are not?

Would you like to share any additional thoughts on how we can improve the work experience for employees of Melby, Cameron & Anderson?

Would you like to speak to a representative from our company to discuss your experiences?

Yes No, Thank You

If you selected yes, please provide the best phone number and time for us to reach you:

Exit interview conducted by:

Exit interviewer's notes:

Sample – Exit Interview by Mail Request Cover Letter

[Date]

[Name of Former Employee]

[Address]

[Address]

Dear [Former Employee]:

In an effort to continuously improve the quality of the work experience for employees of Melby, Cameron & Anderson, we are requesting your feedback. We hope you will take a few minutes to provide us with an honest evaluation of the time you spent with us.

Your [number of years] of service were highly valued and your participation in this process is very much appreciated. Be assured that any information you provide will be treated confidentially.

Should you have any questions or concerns regarding this process, please do not hesitate to contact me. Thank you for your time. We wish you the very best.

Kind regards,

[Name]

[Title]

[Contact Info]

P.S. – A postage-paid return envelope is enclosed.

Sample – Exit Interview/Survey by Mail

Name: _____

Title/Position Description: _____

Supervisor: _____ Date of Exit: _____

1. Why did you decide to leave MCA?

- Better job opportunity
- Salary
- Unsatisfied with position and/or responsibilities
- Relocation
- Lack of promotional opportunities
- Returning to school
- Unsatisfied with manager/ supervisor
- Personal circumstances (please explain):
- Other:

Please rate your feelings about the following:

	Very Satisfied	Satisfied	Somewhat Satisfied	Dissatisfied	Very Dissatisfied
Opportunities to use your skills and abilities					
Recognition for achievements					
Extend to which the position met your expectations					
Opportunities for promotion and advancement					
Manager's ability to communicate goals, expectations, & provide feedback					
Management's interest in your career & professional development					
Salary increases and performance appraisal process					
Training opportunities					
Compensation package					
Company culture					

What did you like best and least about the job?

Would you consider working for Melby, Cameron & Anderson again if the situation were right?

Yes No

Would you like to share where you are going (if you have decided) and your new title?

What is it about that company that makes you want to join them?

What are they offering that we are not?

Would you like to share any additional thoughts on how we can improve the work experience for employees of MCA?

Would you like to speak to a representative from MCA to discuss your experiences?

Yes No, Thank You

If you selected yes, please provide the best phone number and time for us to reach you:

9. EMPLOYEE TRAINING & PROFESSIONAL DEVELOPMENT

9.1 AMC's shall adopt an evaluation procedure for all employees covering competencies, performance assessment, and professional development.

Performance evaluations are conducted annually for all non-partner MCA staff. The evaluation process addresses both expectations as MCA team members and specific responsibilities of their position with the client(s) they work with. In the interest of confidentiality, we are not placing staff evaluations in this Accreditation Notebook, but will be happy to assist the auditor to review them in our personnel files. A blank evaluation form, however, is included as Exhibit 9.1. We are including both our old evaluation tool and our newest one. H.R. experts have recommended that the performance evaluation tool be changed every few years both to refresh the process and to assure that it doesn't become rote.

We have used the first form for a few years and have developed a new one which we believe is a more meaningful tool in performance evaluation, and which more closely links client progress to overall MCA performance. Our new form also more closely links the performance assessment to the competencies identified in each staff member's job description (see job descriptions in Exhibit 4.1.2). This form was in place for MCA's 2010 staff evaluations, which are generally conducted during the month of January. Our practice is that evaluations are expected to be done by February 15 of each year, unless there are extenuating circumstances (e.g., excessively busy time due to conferences or legislative session). MCA's new performance evaluation form also more directly addresses ongoing professional development of individual staff members.

9.2 AMC's shall provide periodic training in the following areas:

9.2.1 Process monitoring and control; *(addressed below)*

9.2.2 Data collection and analysis; *(addressed below)*

9.2.3 Performance improvement and corrective action; *(addressed in performance evaluations process and documents described above)*

9.2.4 Teamwork, interaction, and communications. *(addressed below)*

MCA has an orientation and training program in place for all new employees (see Exhibits, 9.2a, 9.2b, 9.2c, and sample orientation notebook). It addresses:

- Company history
- Overview of association management and AMC structure
- Company policies
- Company mission, values, service principles
- Introduction to staff, clients, acronyms, glossary of key terms
- Office processes and training information
- Training checklist

In addition to ongoing evaluation of new employee progress, we also conduct a formal 30-day evaluation of the new employee's orientation and training process and success (sample in back of notebook).

With regard to training and ongoing professional development of all our employees, MCA is committed to providing continuing education and training for all our staff, at every level. This is accomplished via a variety of educational opportunities:

EXTERNAL

- Membership and participation in our local and national professional societies: the Washington Society of Association Executives (WSAE), the American Society of Association Executives (ASAE), Association Management Company Institute (AMC-I), Meeting Professionals International (MPI).
- Periodically sending key staff to the U.S. Chamber of Commerce's four year program, Institute for Organization Management (IOM).
- Underwriting the expense of study courses and the exam for ASAE's Certified Association Executive (CAE) program.
- As appropriate, sending staff to external training opportunities in such diverse areas as Parliamentary Procedure, Financial Management, Time Management & Organizational Skills, Business Writing....

INTERNAL

- We also conduct internal staff training programs through what we call the MCA College of Association Knowledge. These are classes for all staff in which they learn a variety of association management topics from MCA partners and others with solid knowledge and experience. Topics have included: strategic planning, meetings management, public relations, financial management, and so forth. See sample notebook from MCA's "College of Association Knowledge" for topic listings and handouts from periodic sessions.
- MCA holds bi-weekly staff meetings wherein we share information about client activities and issues, as well as keep everyone updated on operational issues and actions. We share monitoring and benchmarking data with staff as appropriate and problem-solve as needed.
- Periodically, MCA partners and non-partner executive directors participate in brown-bag lunch sessions wherein we discuss specific topics (e.g., association innovation, dealing with challenging board members, using social media...), problem-solve and share ideas.
- Once a year, usually in December, we take the entire office on a one-day retreat to talk about company values, goals and practices, customer service, association management issues, and whatever else may be relevant or timely.
- We have made an effort to create a culture where all employees know that they have a cadre of people within the company they can go to for ideas, information, and training.

We use all of the above internal professional development options to model and reinforce our values, and as "teambuilding" opportunities. Coaching, mentoring, and a climate of information sharing/appreciative inquiry are all important elements of MCA's training practices and philosophy.

MCA also maintains a library of books and training materials on a variety of technical, management, interpersonal and association management topics. All employees have access to and are encouraged to use and explore these materials.

9.2.4 – Sample – New Team Member Checklist

EMPLOYEE INFORMATION			
Name:		Start date:	
Position:		Direct Manager:	
POLICIES			
<input type="checkbox"/> Review MCA Policy & Procedure Manual.	<input type="checkbox"/> Pay period <input type="checkbox"/> Staff meetings <input type="checkbox"/> Vacation/sick leave <input type="checkbox"/> Holidays	<input type="checkbox"/> Time reporting <input type="checkbox"/> Overtime <input type="checkbox"/> Performance reviews <input type="checkbox"/> Dress code	<input type="checkbox"/> E-mail, internet & telephone use <input type="checkbox"/> Employee benefits <input type="checkbox"/> Equal Employment <input type="checkbox"/> Harassment
ADMINISTRATIVE PROCEDURES			
<input type="checkbox"/> Review general administrative procedures.	<input type="checkbox"/> Office/desk/work station <input type="checkbox"/> Keys <input type="checkbox"/> Business cards (if applicable) <input type="checkbox"/> Update security system <input type="checkbox"/> Set up voicemail	<input type="checkbox"/> Update client e-mail addresses, establish MCA e-mail address and add it to internal MCA e-mail distribution lists (i.e., "Staff")	
INTRODUCTIONS AND TOURS			
<input type="checkbox"/> Introductions to all staff and key personnel during tour.			
<input type="checkbox"/> Tour of facility, including:	<input type="checkbox"/> Restrooms <input type="checkbox"/> Kitchen <input type="checkbox"/> Vending machines <input type="checkbox"/> Emergency exits	<input type="checkbox"/> Mail room <input type="checkbox"/> Copy/Printers <input type="checkbox"/> Fax machines <input type="checkbox"/> Office supplies	<input type="checkbox"/> Client Storage <input type="checkbox"/> Conference rooms <input type="checkbox"/> Accounting <input type="checkbox"/> Graphics Dept. <input type="checkbox"/> Parking
POSITION INFORMATION			
<input type="checkbox"/> Introductions to team. <input type="checkbox"/> Review job description and performance expectations and standards. <input type="checkbox"/> Review initial job assignments and training plans. <input type="checkbox"/> Review job schedule and hours. <input type="checkbox"/> Review time sheets. <input type="checkbox"/> Review payroll timing.			
OFFICE EQUIPMENT REVIEW			
<input type="checkbox"/> PC overview including: Given by: _____	<input type="checkbox"/> E-mail <input type="checkbox"/> Intranet	<input type="checkbox"/> Operating system <input type="checkbox"/> Shared drives	
<input type="checkbox"/> Phones including: Given by: _____	<input type="checkbox"/> Extension	<input type="checkbox"/> Messages	<input type="checkbox"/> Answering
<input type="checkbox"/> Copier/Scanner including: Given by: _____	<input type="checkbox"/> Copying	<input type="checkbox"/> Scanning	<input type="checkbox"/> Paper
<input type="checkbox"/> Other Office Machines including: Given by: _____	<input type="checkbox"/> Postage machine	<input type="checkbox"/> FAX <input type="checkbox"/> Check scanner	<input type="checkbox"/> Folding <input type="checkbox"/> Label Maker
MCA FORMS			
<input type="checkbox"/> PTO (Paid Time Off) <input type="checkbox"/> Expense report <input type="checkbox"/> Client charges <input type="checkbox"/> Check requests			

10. SUBCONTRACTING AND PURCHASING REQUIREMENTS

PRRI has an established process for ensuring that due diligence is exercised when purchasing products or services for clients. Vendors and suppliers are selected through a competitive bid (RFP) process. RFP examples are saved on the Shared Drive and employees update samples on a regular basis. Feedback on vendors is shared internally by staff. While PRRI has a list of established vendors with whom we do business, those vendors/suppliers are still asked to offer advance quotes for their services so as to maximize the best possible return for our clients. PRRI also invites new possible vendors/suppliers to make department-wide/company-wide presentations (depending on service) so that supplier and vendor lists (*sample below*) can be updated. PRRI leverages our multiple client relationships to help obtain the best possible pricing and services for our clients.

When hiring a vendor whose services apply across clients, PRRI follows a comprehensive bid process which includes at a minimum an evaluation of the subcontractor's service procedures and facilities; samples of the subcontractor's products or services; and reference checks with other companies which have had experience with the subcontractor. All of these factors are incorporated in the RFP, receipt and review of proposals, and interviews. If needed, a facility inspection would also take place.

PRRI maintains vendor lists regarding services which are provided to clients. These lists track and record the identity and specific use of products and services. New vendors are required to complete an IRS Form W-9 which is kept on file at the PRRI offices.

Sample - Vendor/Supplier Visits to PRRI in 2010

March 20, 2010	Studio 18 Design – Potential new design firm
April 23, 2010	S&L Printing and Mailing visit
May 1, 2010	Experient Conference Call – Registration provider
June 4, 2010	Tidal Communications – Conference Call regarding new phone system
June 5, 2010	Axis Micro Systems – Conference call regarding new phone system
June 27, 2010	Vermillion – Printer/mail house visit
July 24, 2010	Vermillion – In-office training for meeting staff
July 29, 2010	Cross Tech Partners – Potential online registration provider
August 5, 2010	ALHI Representative
August 12, 2008	MGM Grand Representative
September 4, 2008	S&L Printing and Mailing visit
October 8, 2010	S&L Printing and Mailing visit
October 23, 2010	Rosen Hotels Representative
October 24, 2010	Vermillion Conference Call – Database cleaning discussion
October 24, 2010	OMR Demonstration
October 27, 2010	Hinton & Gruisch/Seaport & WTC Visit
October 28, 2010	Experient Conference Call
October 29, 2010	Providence CVB visit
November 3, 2010	Marriott/Renaissance Representatives
November 12, 2010	Ritz Carlton Representative
November 18, 2010	SwervePoint Visit – new bag/handout vendor
November 20, 2010	Tidal Communications – Conference Call regarding quote for new phone system
December 2, 2010	mindShift Technologies – meeting to demo new VOIP phone system
December 11, 2010	Starwood visit

Sample – Vendors Used by PRRI

CONTRACTORS/DRAYAGE:

Freeman Decorating Co. – National Contractor
ICES (International Convention and Event Services) – Honolulu, HI
Shepard Exposition Services – Baltimore, MD
Vista Convention Services South – Miami, Florida
Expo Caribbean Displays, Puerto Rico
Ciccarelli, Italy

AUDIO VISUAL VENDORS

AVW
Ciccarelli CST, Italy
PSAV
Rillihan & Associates
SWANK

COMPUTER RENTAL

Technology Resource Rental

COMPUTER SUPPLIER

More Direct, Inc.

CUSTOMS BROKERS

North American Logistics – Canada
GeoLogistics - Europe

FLORAL

Bloomin' Exhibits
Floral Reflections

LEAD RETRIEVAL

Experient

SECURITY

America One – San Diego
Preeminent Protective Services – Washington DC
Security Management Group of America – Chicago

11. RECORD KEEPING REQUIREMENTS

11.1 – Sample Record Retention Policy:

The following schedule should be followed for all legal documents for both Alta Management Services, Inc. (AMS) and our clients. The destruction of records must be approved by Ed Grose and logged into the AMS Destroyed Records Log.

The formal records retention policy should be as follows:

Accident reports/claims (settled cases)	7 Years
Accounts payable ledgers and schedules	7 Years
Accounts receivable ledgers and schedules.....	7 Years
Audit reports of accountants.....	permanently
Bank reconciliations	2 Years
Bank Statements.....	4 Years
Capital stock and bond records; ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.....	permanently
Cash books.....	permanently
Chart of Accounts	permanently
Checks (cancelled but see exception below).....	7 Years
Checks (cancelled for important payments, i.e., taxes, purchases of property, special, contract, etc.) (checks should be filed with the papers pertaining to the underlying transaction).	permanently
Contracts, mortgages, notes and leases: Expired.....	7 Years
Still in effect.....	permanently
Correspondence:	
General.....	2 Years
Legal and important matters only	permanently
Routine with customers and/or vendors	2 Years
Deeds, mortgages and bills of sales.....	permanently
Depreciation schedules.....	permanently
Duplicate deposit slips	2 Years
Employment applications	3 Years
Employee personal records (after termination).....	3 Years
Expense analyses/expense distribution schedule	7 Years
Financial statements:	
Year end	permanently
Other:	
Optional Garnishments	7 Years
General and private ledgers (and end-of-year trial balances).....	permanently
Insurance policies (expired)	3 Years
Insurance records, current accident reports, claims, policies, etc.....	permanently

Internal audit reports (in some situations longer retention periods may be desirable).....	3 Years	
Internal reports (miscellaneous)	3 Years	
Inventories of products, materials and supplies.....	7 Years	
Invoices to customers	4 Years	
Invoices from vendors.....	7 Years	
Journals	permanently	
Minute books of directors and stockholders, including by-laws and charter.....	permanently	
Notes receivable ledgers and schedules.....	7 Years	
Option records (expired)	7 Years	
Payroll records and summaries, including payments to pensioners	7 Years	
Personnel records (terminated).....	7 Years	
Petty cash vouchers.....	3 Years	
Physical inventory tags	3 Years	
Plant cost ledgers	7 Years	
Property appraisals by outside appraisers permanently	Property records – including costs, depreciation, reserves, end-of-year trial balances, depreciation schedules, blueprints and plans	permanently
Purchase orders:		
Purchasing department copy.....	7 Years	
Other copies.....	1 Year	
Retirement and pension records	permanently	
Requisitions	1 Year	
Sales records.....	7 Years	
Savings bond registration records of Employees	3 Years	
Scrap and salvage records (inventories, sales, etc.)	7 Years	
Stenographer's notebook.....	1 Year	
Stock and bond certificates (cancelled).....	7 Years	
Stockroom withdrawal forms	1 Year	
Subsidiary ledgers	7 Years	
Tax returns and worksheets, examination reports, revenue agents' and other documents relating to determination of income tax liability	permanently	
Time sheets/cards/books	7 Years	
Trademark registrations and copyrights	permanently	
Training manuals	permanently	
Voucher register and schedules	7 Years	
Vouchers for payments to vendors, employees, etc. (including allowances and reimbursement of employees, officers, etc. for travel and entertainment expenses) ..	7 Years	
Withholding tax statements	7 Years	

12. INTERNAL AUDIT PROCEDURAL REQUIREMENTS

12.1 AMCs shall adopt internal and external audit procedures that:

12.1.1 Determine whether performance complies with the AMC's written plans, procedures, and programs;

12.1.2 Verifies the effectiveness of the AMC's corrective actions.

12.2 These procedures shall also ensure that:

12.2.1 Audit activities are appropriately planned;

12.2.2 Internal auditors are independent of the procedures and people being audited, and external auditors are recognized independent entities;

12.2.3 Audit results, corrective actions, and corrective action results and consequences are appropriately recorded;

12.2.4 Audit conclusions are discussed with the people whose activities and results are being audited, and deficiencies are corrected;

12.2.5 Copies of the audit reports are kept on file for future reference in accordance with the records retention policy but for not less than four years.

- Processes are reviewed annually during client financial audits and during the F&F financial audit – all performed by 3rd party independent CPA firms.
- Client Operations Manuals are reviewed and updated by Team Members according to a predetermined scheduled.
- Client Operations Manuals will be reviewed by F&F's Internal Auditors (Vicki and Jayne) at least once annually.
- Partnership Development Surveys are distributed annually, results are reviewed by the Director of Client Services, discussion with ED ensures before results are shared with Boards.
- Core Services documents are reviewed annually with the client during management fee adjustment discussions led by the ED.
- Meeting Managers provide clients with a post conference summary report and the results of the post conference evaluation completed by attendees.
- Department Operations Manuals will be reviewed by the F&F Internal Auditors at least annually.
- Internal F&F peer-to-peer Accreditation Training will occur to continually educate associates on the requirements of each section of the standard.